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ABSTRACT

Female headed families with dependent children are the poorest in the nation and the major consumers of Federal assistance programs. The findings of a study undertaken to determine the impact of the current Federal strategy toward the poor upon the low income female headed family are described in this document. The report includes: (1) a description of female headed families with children and the nature of their economic needs; (2) a description of the development and structure of those programs which, taken together, constitute the Federal strategy toward the poor family (Aid to Families with Dependent Children, Medicaid, Title XX, Food Stamps, Low Income Public Housing, and others); (3) an analysis of how adequately and equitably these programs serve female headed families and the identification of structural barriers to program effectiveness; (4) the delineation of principles upon which reforms should be based; (5) an analysis of alternative proposals for change with respect to their implications for the female headed families; and (6) recommendations for short term policy action directed to the Secretary of the Department of Health, Education, and Welfare. (Author/AM)

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WELFARE REFORM: FOR WHOM AND BY WHOM?

An Analysis of the Current Federal Strategy for the Low-Income Female-Headed Family With Children and Principles for Change

Prepared for the
Secretary's Advisory Committee on the
Rights and Responsibilities of Women
Department of Health, Education, and Welfa

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CHAPTER ONE

INTRODUCTION

This Report is concerned with the Federal strategy which exists today to relieve poverty and promote long-term economic independence among the poor. It examines how this strategy affects the poorest of all Americans -- the female-headed family with dependent children -- and suggests the directions Federal welfare policy should take in the future.

BACKGROUND

Most Americans are able to meet their basic needs for food, clothing, shelter, and health care through regular employment in jobs which pay more than the minimum wage; they are integrated into the mainstream of the economy. Most such wage-earners and their families are protected from poverty and deprivation during their working years not only by their earnings, but also by participation in the Federal Unemployment Compensation program (which is a form of insurance to which employees and employers contribute). They are protected against deprivation in their later years by the Social Security system and, increasingly, by private pension plans, both of which are also forms of insurance requiring employer-employee contributions to trust funds. Their dependents are also protected by Social Security benefits in case of death or disability of the wage-earner.

However, over 24 million persons[1/] are unable for one reason or another to achieve economic security through adequate employment tied to the Federal and private income insurance programs; they must survive as best they can at or below the poverty level and all too frequently must depend on various Federal, state, and local government assistance programs to meet their most basic needs.

Of those who are unable to provide sufficiently for themselves, the poorest group of all are female-headed families with dependent children (FHFs/wc). As of 1975, there were over 4.9[2/] million such families, the majority of whom lived at or near the poverty level ($5,038 for a family of 4 in 1974), and their members are increasing at a greater rate than any other type of household living arrangement.

Over time, the Federal government has evolved a strategy for assisting the low-income single parent family -- primarily the female-headed family -- which is in effect designed to meet basic life support needs while moving as many mothers as possible into the mainstream of the labor market and thus to economic independence.

PURPOSE OF THIS REPORT

While the Department of Health, Education, and Welfare Secretary's Advisory Committee on the Rights and Responsibilities of Women is concerned with all poor individuals and families whose lives fall so far short of the American dream, it is the Committee's special mission to examine the impact of Federal programs on women. The Committee has chosen to address the nature and impact of the current Federal strategy for meeting the short and long-term needs of the FHF/wc because of the growing numbers and extreme deprivation of such women and their children, their need for and dependence on Federal assistance, and the fact that those programs which constitute the Federal strategy towards the FHF/wc are now under widespread attack.

The sources of dissatisfaction with current Federal programs for the poor family, as reflected for example in the statements of private organizations, public opinion polls, and the platforms of both

major political parties, include the dramatically rising costs of "welfare" programs in recent years; the apparent failure of employment and training efforts to reduce the welfare rolls; the extreme administrative complexity of welfare and employment programs; and, according to some, the failure of existing programs to equitably provide benefits and services which support an adequate standard of living for citizens who cannot otherwise provide for themselves. There is little doubt that a concerted effort will be made by the Administration and the Congress in the foreseeable future to bring about "welfare reform".

If program change is to adequately respond to the needs of the FHF/wc, it is urgently necessary that the public and policy makers share a basic understanding of the characteristics of the FHF/wc and why such families need assistance. There must also be a thorough understanding of existing program structure and its effects on the current well-being and economic prospects of the FHF/wc. Only then will the nation be prepared to determine the implications for our most needy families of alternative proposals for change.

Therefore, the specific objectives of this report are to:

- Describe FHFs/wc and the nature of their economic needs.
- Describe in detail the development and structure of those programs which, taken together, constitute the Federal strategy toward the poor family. These programs include:
  - -- Aid to Families with Dependent Children
  - -- Medicaid
  - -- Title XX (Social Security Act) Day Care and Social Services

-- Food Stamps

-- Low Income Public Housing

-- Sec. 8 (Housing and Community Development Act) Housing Assistance

-- Work Incentive Program

-- CETA Manpower Development Program

- Analyze how adequately and equitably these programs serve the FHF/wc and identify structural barriers to program effectiveness.

- Set forth principles upon which reforms should be based.

- Analyze alternative proposals for change with respect to their implications for the FHF/wc.

- Develop recommendations to the Secretary, DHEW, for short-term policy action.

This effort is only a first step toward defining the issues of women and welfare reform. While many voices have been heard during the course of this study, the views of the women most affected by Federal decisions could not be systematically obtained. This is a necessity for intelligent and realistic decision-making, a need which will soon be addressed by SACRRW, the Federal Women's Bureau, and the National Committee on the Observance of International Women's Year.

Finally, it is recognized that the female-headed family presents many social concerns which were not considered in this study; these concerns -- for greater understanding of the sources of family dissolution,

for greater social supports for the single parent, for knowledge of the effects of single parenthood on the developing child, to name only a few -- are of great significance even though they are not included in this effort.* However, the economic survival of such women and their children is obviously a prerequisite to the solution of more complex social problems. It is hoped that this study will assist the Secretary, other policy-makers, and the public in ensuring that the economic needs of the female-headed family receive rightful attention as the nation proceeds to resolve the complex problems of meeting the human needs of all the poor and the dependent in our society.

*The Women's Action Program within HEW has commissioned an intensive review of the literature on the social/psychological efforts of single parenthood on women and their children. This volume should serve as an eloquent complement to the program analysis presented here.

CHAPTER ONE

REFERENCES

1. U.S. Department of Commerce, Bureau of the Census, "Characteristics of the Population Below the Poverty Level 1974." Current Population Reports, Series P-60, no. 102, Washington, D.C.: Government Printing Office, 1976.

2. U.S. Department of Commerce, Bureau of the Census, "Money Income in 1974 of Families and Persons in the United States." Current Population Reports, Series P-60, no. 101, Washington, D.C.: Government Printing Office, 1976.

CHAPTER TWO

CHARACTERISTICS OF FEMALE-HEADED FAMILIES WITH CHILDREN: MYTHS AND REALITIES

INTRODUCTION

The number of female-headed families has grown significantly, both absolutely and relatively over the past four decades. The total number of households (defined as families and individuals living alone or sharing a housing unit) headed by women more than quadrupled between 1930 and 1974 and their representation among all U.S. households rose from 12.7% to 22.9%.[1/] While much of this expansion can be attributed to larger numbers of both younger and older single women living alone, the number of female-headed families, and in particular of female headed families with young children (FHFs/wc), has increased dramatically. In 1940 there were 1,620,960 primary families headed by women with dependent children under 18. In 1974 there were 4,598,000. This reflects a 184% increase, and a rise from 9% of all primary families with children under 18 to 15.8% of all such families. The number of FHFs/wc rose most noticeably between 1950 and 1960 (from 1.2 million to 2.5 million) but recent trends suggest we are presently in another period of rapid expansion of this population. Between 1970 and 1974 alone, the number of FHFs/wc increased by over 36%.

Women who are single parents are a diverse group, representing the diversity of American society at large in most respects except one: they are the poorest of all poor families. The variety of characteristics of FHFs/wc and the facts of their poverty are presented briefly in this chapter.

I. SOCIAL CHARACTERISTICS OF THE FHF/wc

Many disparaging myths have developed regarding the FHF/wc, particularly those who are poor. A popular characterization of the FHF/wc is that she is an ethnic minority person, who bears large numbers of children in order to increase her welfare grant, and who is too poorly educated or too lazy to work. The actual characteristics of the FHF/wc are examined in this section.

A. Race/Ethnicity

White FHFs/wc represent 65% of all such families at the present time. There are differences in the proportion of families headed by women within different racial and ethnic groups; FHFs/wc are 11.3% of all white families with children under 18, whereas 38.5% of all black mothers are heads of families.[2/] Data on other minorities are sparse, but the 1969 figures[3/] displayed in Table 1 reveal great differences in the propensity to form female-headed families. For example, among Chinese-Americans, only 5.1% of families with children were female-headed; the figures for Mexican Americans were 12.4%, for Puerto Ricans 24%, and for native Americans 18.3%.

Numerous research studies have been devoted to the causes of group differences in formation of FHFs/wc, but the results have been inconclusive and have generally failed to produce recommendations upon which government could act. Therefore, no attempt will be made to address this issue anew; it should be sufficient to note that the majority of FHFs/wc come from the white majority of our population and women from every racial and ethnic group are found in the ranks of female-headed families to some extent.

TABLE 1
COMPARISON OF PROPORTIONS OF FHFs/wc BY RACIAL/ETHNIC GROUP
(1969)

	Percent Racial/Ethnic Individuals in Total U.S. Population (1969)	Percent of Families With Children in Each Group That Has a Female Head (1969)	Percent Racial/ Ethnic FHF/wc of all FHF/wc
White	87.5%	9.0%	65.0%
Black	11.1%	31.6%	29.6%
Chinese	0.2%	5.1%	.1%
Japanese	0.3%	9.8%	.2%
Filipino	0.2%	8.7%	.1%
Mexican American	2.2%	12.4%	2.3%
Puerto Rican	0.7%	24.0%	1.8%
Cuban	0.3%	10.2%	.2%
Native American	0.4%	18.3%	.5%

SOURCE: U.S. Department of Commerce, Bureau of the Census, 1970 Census of Population, Subject Reports, PC(2)-1A, PC(2)-1B, PC(2)-1C, PC(2)-1E, PC(2)-1F, PC(2)-1G. Washington, D.C.: Government Printing Office.

B. Family Size

A second pervasive belief about the FHF/wc is that such families are extremely large. In fact, the mean number of children in female-headed families in 1973 was only 1.26.

While family size among poor FHFs/wc is slightly larger, the mean number of children is declining -- from 2.8 in 1969 to 2.5 in 1974.[4/] These latter data should effectively refute the myth that low-income women deliberately bear additional children in order to obtain greater welfare benefits; the fact that poor FHFs have more children than the national average of such families may simply mean that they are poorer because they had more children at the time they became heads of household. Alternatively, those who were poor prior to becoming FHFs are less likely to have had effective access to family planning information until recently.

C. Sources of Single Parenthood

Sources of single parenthood include bearing of children outside the traditional bonds of marriage, divorce, separation, widowhood, adoption and guardianship. Between 1960 and 1970 marital disruptions (divorce, separation and widowhood) accounted for 23% of the increase in the number of white female headed families with children and for 15% of the increase in numbers of non-white female headed families with children.[5/] First children born outside traditional marriage accounted for 9% of the growth in white FHFs/wc and 21% of the increase in non-white FHFs/wc. These changes reflect an increase in the overall single-parent birth rate from 21.6 per thousand unmarried women to 26.4 per thousand. The number of divorces per

thousand marriages rose from 9.4 to 15.2, and the incidence of death as a source of marital dissolution from 18.9 to 19.3.[6/] Other causes of the growth in numbers of FHFs/wc include population growth, the likelihood that FHF/wc subfamilies will move to their own households, and the likelihood that children will be present when a marriage is disrupted and live with the mother.

These data provide some support for the myth that children of FHFs are "illegitimate", but in terms of absolute numbers martial disruption has been and remains the primary source of female headed family formation.[7/]

It should be noted that duration of single parenthood varies by source. It is typically longest for never-married women and widows. Divorced women are most likely to form two parent families within five years.[8/] However, it is estimated that one in eight to one in sixteen women are likely to be FHF/wc for some period while their children are dependent. (The basis of this estimate appears in the Technical Note at the end of this chapter.)

D. Employment Preparation and Effort of FHFs/wc

With respect to the myths of low skill levels among FHFs/wc, the educational preparation of female family heads is distributed across a full range, with an average attainment of 12 years.[9/] Never-married women are unlikely to have completed high school. Information is not available on the educational level of FHFs/wc who are in this status for other reasons, although studies consistently suggest that the divorce rate is lower among persons with higher educational levels.[10/]

Again, it is partly true that FHFs/wc are ill-prepared to enter the mainstream of the labor force, although it is erroneous to characterize FHFs as a group in this manner. It is unfortunately true that the never-married mother is both less well prepared for economic independence and, as noted above, is less likely than the other FHFs/wc to achieve economic security through marriage.

The data on work effort of FHFs/wc strongly dispute the myth that these women, even if poorly prepared, are unwilling to work. In 1973,[11/] the most recent year for which data are available, 44% of all AFDC ("welfare") recipients were employed or actively seeking work; the remainder were either incapacitated or needed in the home to care for young children.

This review of fact and myth about the FHF/wc supports the contention that such families are indeed diverse in their racial/ethnic composition, with the majority white population contributing the largest numerical share of FHFs/wc; contrary to popular belief, such families, including very low income families, are not extremely large and the number of children per family is steadily declining. Marital disruption, not "illegitimacy", contributes most to formation of FHFs/wc, and substantial numbers of the female population are likely to become FHFs/wc for some period while their children are dependent. The never-married mother is less likely than others to be able to achieve economic independence through marriage and is indeed less well prepared than others for mainstream employment, but low-income FHFs/wc, regardless of the source of their single-parent status or educational level, demonstrate substantial effort to support themselves and their families through even sub-standard employment.

II. THE ECONOMIC STATUS OF THE FHF/wc

While the preceding discussion reveals that FHFs/wc are a diverse social group to which popular disparaging myths do not apply, it is a fact that they overwhelmingly share the characteristic of poverty.

A. Income Level

Poverty is a relative concept; for example, it is conventional to note that a poor American would be considered quite well-off in a less developed country. However, within our own society, FHFs/wc are the poorest of all types of households, as measured by the Poverty Index issued periodically by the Federal Office of Management and Budget, and their situation is worsening over time. Between 1970 and 1973, the proportion of all poor families headed by women rose from 37% to 45%.[12/] Their economic position relative to all other types of households, including those with and without children, is shown in Table 2.

Data for this table were derived from consumer income reports, and therefore reflect money income from all sources before taxes, and exclude non-money transfer receipts (food stamps, subsidized housing). In comparing poverty and near-poverty incidence by family size, all definitions and numbers have been standardized for family size and composition. Consistent with Bureau of the Census definitions, both families and single individuals living alone or sharing a housing unit are considered types of "households". The term "family" refers to a group of two or more persons related by blood, marriage or adoption residing together. Therefore, the entries in the table may differ somewhat from the total number of each type of family in the population, reflecting cases in which "secondary families" share housing units. The basic poverty level for a non-farm family of four in 1974 was $5,038.

TABLE 2

INCOME DISTRIBUTION BY TYPE OF HOUSEHOLD (1974)
(Numbers in Thousands)

Type of Household	TOTAL N=100%	POVERTY LEVEL 1974 N	%	150% POVERTY LEVEL N	%	200% POVERTY LEVEL N	%
Families and Unrelated Individuals	74584	9929	13.3%	22579[1]	30.3%	30119[1]	40.4%
FHF/wc	4922	2158	43.8	2522	51.3	3068	62.5
White[2]	3242	1177	36.3	1657	51.1	2109	65.0
Black[2]	1630	959	58.8	1140	70.2	1195	73.5
Husband/Wife Family/wc	25177	1511	6.0	4551	17.6	6751	26.2
White	23179	1212	5.2	3233	13.9	5681	24.5
Black	2173	271	12.5	565	26.0	835	38.4
Male Single Head of Family/wc	486	69	14.2	93	26.3	145	41.1
White	479	N/A		N/A		N/A	
Black	116	N/A		N/A		N/A	
Husband/Wife Family without child	21794	1109	5.1	2820	13.3	4086	24.0
White	19790	1181	6.0	2631	13.3	4716	23.8
Black	1173	160.3	13.7	319	27.2	478	40.8
Single Male Household	7890	1607	20.4	2754	34.9	3321	42.1
White	6544	1200	18.3	2140	32.7	2644	40.4
Black	1171	351	29.9	547	46.7	607	51.8
Single Female Household	10981	3212	29.3	6007	54.7	6962	63.4
White (Total)	9708	2573	26.5	5116	29.4	5990	61.7
(65+)	4641	1405	30.3	2375	51.2	3193	68.8
Black (Total)	1176	611	51.9	843	71.7	917	78.0
(65+)	381	262	68.8	334	87.6	357	93.6

[1] Cumulative

[2] Detailed data for other non-white families and individuals is not available for 1974. However, as of the 1970 census 21% of all Spanish American families had incomes below the poverty level, while the incidence of poverty was 51% for Mexican American FHF and 58% for Puerto Rican FAF (FHF/wc were not separately identified).

Sources: Poverty data as reported in Population Characteristics, Series P60, #102. Families above poverty derived from Population Characteristics, Series P60, #101. Proportions of families in poverty were adjusted for family type using the Bureau of Labor Statistics, Revised Equivalence Scale.

Within the overall low income status of FHFs/wc, never-married are the worst off, followed by separated, divorced, and widowed women, as indicated below.[13/]

Total Family Income	Martial Status			
	Single	Separated	Divorced	Widowed
Under $3,000	30.0%	18.8%	13.4%	12.9%
$3,000 - $4,900	36.1%	32.5%	15.8%	25.1%
$5,000 - $7,499	18.7%	23.1%	30.6%	19.4%
$7,000 and over	15.2%	25.6%	40.3%	42.8%

It is important to note, also, that the second poorest of the household types shown in Table 2 are single female households. Many of these are very young women, some of whom will eventually gain economic security through marriage or -- it is hoped -- by full integration into the labor force. Even so, there is a high probability of eventual single parenthood for many of these women, as noted earlier. However, most striking among the data on single poor women is the fact that 52% of these women are over 65[14/] and desperately poor, reflecting what lies in store for the American women who must finally make it on her own. While this study does not address the single women in poverty, the problems noted below for the FHF/wc are, to a large extent, the same factors which result in poverty and dependency in old age. To the extent that these problems can be overcome, the future for all women throughout the adult life span may be improved.

B. Sources of the Low Economic Status of FHFs/wc

The lower incomes of FHFs/wc are due to a variety of well known factors, as follows:

1. High rate of unemployment among women as compared to men.

While the reported April 1975 unemployment rate for women was 8.3% contrasted with a 7.6% rate for men, only 45.9%[15/] of the working-age female population (46.3% in 1976)[16/] was classified as "in the labor force".

The labor force participation of FHFs/wc is higher than for women in general, and so is their unemployment rate. In 1972, 57.3% of all FHFs/wc were considered "in the labor force" (contrasted with 42.5% of all women in that year), and had an unemployment rate of 10%.[17/] However, these statistics significantly under-represent female unemployment by systematically excluding those persons who are "discouraged, not actively seeking work". In fact, women are -- quite realistically -- likely to experience their relative disadvantage in the job market and cease seeking employment which they perceive to be unavailable no matter how great their desire to work. In this case they are not counted among the "unemployed" by the Bureau of Labor Statistics.[18/]

2. Concentration in low-paying occupations.

Women are overwhelmingly concentrated in the least economically rewarding occupations (which are also the least unionized), as shown in Table 3.*

*These data refer to female heads of household, who may or may not have dependent children. Comparable data for FHFs/wc are not available, but there is no reason to believe that these two overlapping groups differ significantly with respect to occupation and income.

TABLE 3

OCCUPATIONS OF EMPLOYED HOUSEHOLD HEADS, 1974

Occupation	Male Household Head (Medidan income = $13,788)	Female Household Head (Median income = $6,400)
Professional and Managerial	26.1%	14.5%
Clerical and Sales	10.6%	34.7%
Craft & kindred workers	21.2%	1.4%
Operatives, including transportation	17.0%	15.7%
Laborers, excluding farm	5.4%	1.7%
Farm Laborers, Managers and Supervisors	1.3%	.9%
Service Workers, excluding Private Household	6.3%	22.8%
Private Household Workers	.04%	4.8%
Self-Employed, Farm	3.6%	.5%
Self-Employed, Other	8.4%	3.2%
Unpaid Family Workers	.06%	.3%

Source: Current Population Reports P60, No. 102, Table 15, and Statistical Abstract of the U.S., 1975, Table 635.

Employed female heads of household in poverty are further concentrated in low-paying occupations; 61.7% are household workers, 32.2% work in other service occupations, 28.4% are operatives, and 12.4% are clerical and sales workers -- only 6.2% are classified as professional/managerial.[19/]

3. Wage discrimination against women performing the same work as men.

The earnings gap between male and female workers has increased, rather than narrowed, over the past two decades. Average incomes for women are now only 57% of average male income. Particularly disturbing in light of sex discrimination legislation are the differentials that persist when training, job experience, length of time on the job and occupation are held constant.[20/]

4. Child care responsibilities.

Responsibilities for care of children, especially infants, severely restricts earnings opportunities for many FHFs/wc. Significantly, over 21% of working FHFs/wc held only part-time jobs, contrasted with 7% of all other family heads, and only 69% of those FHFs/wc classified as full-time workers worked as many as fifty weeks during 1974.[21/]

The extent to which FHFs/wc work only part-time or not at all due to unavailability of care is arguable, and the most recent and thorough studies of this issue suggest that lack of child care is not a significant barrier to employment for most women desiring work. Rather, it appears that many mothers who have sole responsibility for young children do not

feel comfortable with the prospect of leaving their children for extended periods of time. While this is not universally true of the FHF/wc, and declines as children grow older and more independent, the need and desire to care for young children suggests that some proportion of FHFs/wc will be dependent on Federal programs to meet basic life support needs for at least some time in their lives.[22/]

5. Personal barriers to employment.

As Steiger and Szanton[23/] have noted in a separate study for SACRRW, the very fact of being poor and unemployed contributes, in a vicious circle, to remaining poor and unemployed. Poor women, including poor FHFs/wc, have significantly more chronic health problems than the more affluent. These women are left with no immediate alternative but reliance on public programs to meet basic needs for themselves and their children.

III. SUMMARY

This brief overview of the social characteristics and economic status of the FHF/wc should make clear that such families are quite diverse with respect to, e.g., race and ethnicity, the circumstances under which they were formed, the likelihood that they will remain female-headed over time, and their short and long-term potential for employment. They are unfortunately very much alike in their economic situation, which is one of extreme deprivation compared to all others in our society.

The fact alone suggests that the Federal strategy for meeting the needs of the poor family has failed to serve adequately the FHF/wc. However, such a broad conclusion cannot lead to concrete recommendations for alternative policies. The next chapters of this report will focus on the structure, interrelationships, and performance of the major programs under consideration to determine the ways in which each affects the current well-being or prospects for economic independence of the female head of family and the children in her care.

To introduce this analysis, the historical development of current Federal programs serving the poor family is reviewed in the next chapter.

CHAPTER TWO

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DERIVATION OF PROBABILITY OF SINGLE FEMALE PARENTHOOD
(in thousands)

a. Static Incidence

Total Adult Females ≥ 18		75,488
+ Number of FHF/wc		+ 4,598
		= 1 in 16

b. Plus Population at Risk

(i) Presently Married with Children(H-W/wc)		25,983
x Dissolution Rate for H-W/wc		14.4*
		= 3,741
plus		
(ii) Single with No Children		9,288
x Illegitimacy Rate, First Births of Single Women		16.2*
		= 1,505
(iii) Total at Risk		5,246

c. Total

Total Adult Females ≥ 18		75,488
+[Existing FHF/wc	4,598]	
Population at Risk	5,246	+ 9,844
		= 1 in 7.67

*1970 rates.

CHAPTER THREE

THE DEVELOPMENT OF THE FEDERAL STRATEGY FOR THE POOR: A BRIEF HISTORY OF WELFARE IN THE U.S.

INTRODUCTION

The programs under review in this study -- AFDC, Medicaid, Title XX Social Services, Food Stamps, HUD-administered Public Housing and Sec. 8 Assistance, and the WIN and CETA training and employment programs -- constitute the major federal efforts to provide the necessities of food, clothing, shelter, and medical care to non-aged, non-disabled persons who are unable to provide for themselves and their families, and to assist such families in achieving economic independence. The concept of federal responsibility for the poor is a relatively new one; all of these programs have developed separately since the Depression in the 1930's. Prior to the Depression, it was assumed that private charity and in some cases state and local governments could provide for the poor. With the Depression and the massive prolonged employment it created, it became apparent that private charity even with the aid of state and local governments could not cope with the needs of the unemployed and the poor. By 1933, an estimated one-third of the U.S. work force was unemployed and the network of charitable and local relief was inadequate to meet the needs.[1/]

Thus, incrementally, a federal policy of providing assistance to the poor evolved. While many of the initial relief programs begun in the Depression were allowed to lapse, they established a clear precedent for future federal domestic assistance programs. The development of federal

assistance to poor families over time may be seen as occurring in three distinct phases, representing different perceptions of the poor -- especially FHFs/wc -- the nature of their needs, and how the nation should respond to these needs. Briefly, the major phases are:

- Phase I -- Response to economic crisis with short term remedial measures.
- Phase II -- The discovery of poverty and the development of strategies for achievement of economic independence.
- Phase III -- Consolidation and emphasis on accountability.

Some of the programs which have been included in this study have their origins in the first phase and were reoriented to some extent to deal with changed circumstances; others were introduced in succeeding decades. Combined they now represent over $47 billion of total Federal expenditures. Table 1 shows the FY 1975 budgets for each of the programs.

This chapter will trace the historical evolution of the programs in order to provide some insights into the programs as they are now administered -- their structure, benefits and assumptions about the FHF/wc.

TABLE 1

FY 1975 OUTLAYS FOR MAJOR PROGRAMS TO ASSIST THE POOR
($ billions)

	TOTAL	FEDERAL	STATE & LOCAL
AFDC	8.4	4.6	3.8
Title XX	2.6	2.0	.6
Medicaid	12.6	7.0	5.6
Food Stamps	4.6	4.6	*
WIN	.35	.3	.05
Housing	18.7 (est.)	18.7	*
CETA	3.1**	3.1	*
TOTAL	47.25	40.0	*

SOURCE: The Budget of the U.S. Government, FY 1977.

*Not available

**All Titles. Expenditures under Title I, the major program activity serving the poor, were $1.6 billion.

I. PHASE I: RESPONSE TO ECONOMIC CRISIS

Federal assistance to the poor was initially a response to the economic problems of the Depression and the inability of private relief and state and local efforts to meet the problems. The Aid for Dependent Children (ADC) program which is currently the basic program for economic support for female headed families with children was created as one part of the Social Security Act of 1935. While it is today considered one of the most controversial of federal programs, at the time of its enactment there was relatively little debate on the subject, the major debate focusing almost solely on the old age aspects, of the Old Age and Survivors Disability Insurance (OASDI) provisions of the Social Security Act. The ADC program was patterned after state and local Mothers' Aid programs which were intended to provide assistance to widows and orphans, and was designed to be state and locally administered with federal financial participation.

It was assumed that the ADC program was a temporary measure and would cease to exist with the development of OASDI since widows and orphans would then be covered under the social insurance program.[2/] There was no recognition of female headed families with children who were not widows. No other categories of FHFs were included in the 1930 and 1940 census and they were in effect assumed not to exist in significant numbers. However, the ADC program as enacted in 1935 did not even fully consider the needs of widows; only the needs of children were included in the grant level until 1950. Further, from the start, ADC had lower priority for support than other public assistance programs. The rate of federal financial

participation for ADC was set at 33 1/3%, compared to 50% for Aid to the Aged and Aid to the Blind,[3] thus beginning the history of categorization and inequities among different segments of the poor population which still persists.

Another program which grew out of the Depression was public housing, one of a group of programs originated in the 1930's to make up for the inability of the private housing market to invest in new housing. Rather than an explicit program to provide assistance to poor people, the Housing Act of 1937 was intended to increase the supply of new housing for families with limited income.[4]

Similarly, the forerunner to the Food Stamps program, the Commodity Distribution program, was begun in 1934 when the Federal Emergency Relief Administration was authorized to distribute surplus food to those on relief. Beginning then and continuing with the enactment of the Section 32 Commodity Distribution program in 1936, food programs for low income persons were intertwined with price support programs for farmers. It was considered better public policy to distribute surplus food to the poor than to throw it away, but it was clear that the farm policy dictated the food programs, and that the food needs of the poor were a secondary issue.[5] This meshing of objectives continues today in that the existing Food Stamp program is administered by the Department of Agriculture, the agency responsible for agricultural policy, rather than by the Department of Health, Education and Welfare or any other agency responsible for providing for the needs of the poor.

II. PHASE II: THE DISCOVERY OF POVERTY

The subsequent developments in ADC, Subsidized Housing and Food programs as well as the initial development of Medicaid, Social Services and WIN and CETA programs, reflects a dawning awareness of post-World War II changes in social structure, civil rights pressure and public assumptions about the newly identified poor. It is also true that beginning in the late fifties and into the sixties, awareness of a growing number of female headed families with children who were not widows began to develop and was often treated with both alarm and hostility.[6/]

Between 1936 and 1950, the ADC program received little or no attention and, despite some increases in the rolls, remained a relatively small program. States had wide discretionary authority in establishing payment levels and eligibility standards for ADC and most states enacted arbitrary duration of residency requirements as one condition of eligibility* and other restrictive requirements, such as one state's policy permitting local welfare officials to deny assistance to mothers with children over three years of age if suitable employment (defined as employment at any wage) was available. In the early sixties, as AFDC** caseloads and costs began to rise and the caseload begun to include more of those who were publicly perceived as "undeserving" recipients (i.e., unwed mothers, divorced and separated women),[7/] criticism of the program became more frequent and negative policies by states multiplied. The AFDC program

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* Declared unconstitutional in 1969, Shapiro v. Thompson, U.S. Supreme Court.

** The name of the program was changed to Aid to Families with Dependent Children (AFDC) in 1962.

was repeatedly blamed for encouraging immorality and shiftlessness among the poor. The racial component of the hostility cannot be underestimated since the caseload of the socially accepted Mothers' Aid pension in 1931 was 96% white compared with a 50% non-white ADC caseload in 1960.

Public criticism and anger over AFDC "loafers" resulted in several restrictive actions in the early sixties, including state "suitable home" policies, the practice of midnight raids to discover a "man in the house" and actions to discourage receipt of AFDC by female headed families with children. In 1960, one state implemented a suitable home regulation which discontinued assistance to families and children because the mothers had illegitimate children, lived in common law marriage or were "thought to be promiscuous".[8/] HEW subsequently ruled that states could not deny assistance to any child living in his/her own home because of such policies, but the practice of midnight raids to find a "man in the house" and thus render a family ineligible were common practice until 1968 when they were ruled unconstitutional.

Similarly, efforts such as one county's 13 Point Plant which required AFDC checks to be picked up at the District Attorney's office and all cases to be reviewed by the DA every month were clearly designed to discourage participation in the program and reduce the AFDC rolls and costs. These negative policies with respect to the provision of "welfare" in general were further reflected in the exclusion of any benefits to able-bodied male-headed families, a bias which is largely true of the AFDC program even today.*

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* Since 1961, states have had the option of including some low-income two-parent families in AFDC benefits (the AFDC-Unemployed Parent program). The AFDC-UP option has been adopted in only 27 states and eligibility requirements are more restrictive than those for single-parent AFDC families.

A countervailing force to the negative cries of welfare cheating (which has never been satisfactorily substantiated), which was also beginning to develop in the early sixties, was a growing sense of the external, structural causes of poverty and a new commitment to reduce the income gap between rich and poor Americans through the development of in-kind transfer programs (those which offer goods and services rather than cash aid): Medicaid, Food Stamps, expanded subsidized housing and social and supportive services and training programs to help individuals to overcome the barriers to independence created by their poverty. Thus, in 1962, President Kennedy proposed to finance a social service strategy for helping families achieve "self-support, self-care or maintain family life" and to provide "rehabilitation" instead of "relief". The basic idea was that expanded social services for AFDC recipients would eventually result in smaller AFDC caseloads, fewer broken families and more self-supporting mothers.[9/] The addition of mandatory social services to AFDC in 1962 laid the groundwork for our current Title XX program.

When by 1967 there were over 5 million persons on AFDC and it became clear that services by themselves would not reduce caseloads, the Work Incentive Program (WIN) was created to provide work and training programs for all potentially employable welfare recipients. This represented a major shift in attitudes toward FHFs/wc since the 1930s; at that time it was assumed that mothers receiving aid would and should stay at home with their children. By 1967, this assumption was questioned, at least for AFDC mothers with children over 6 years of age. In addition to WIN training requirements, the 1967 amendments provided a work incentive provision in the method of calculating welfare grants which exists today as it was enacted then and has created serious inequities between welfare and non-welfare FHFs/wc.[10/]

The Medicaid program was enacted in 1965 as a companion piece of legislation to the Medicare program for the aged. While some supporters of the program at that time thought of Medicaid as a first step toward a national health care system for all Americans, Medicaid was clearly tied to the welfare care system by relating eligibility for Medicaid to cash assistance eligibility. As with the AFDC program, Medicaid eligibility varies significantly from state to state and although provisions for the medically needy raise the income eligibility criteria in some states, Medicaid eligibility is still "categorically related" to eligibility for financial assistance (i.e., only those categories of persons who would otherwise be eligible for AFDC and other cash assistance if they met income requirements can receive Medicaid benefits in any case).[11/]

The Food Stamp Act of 1964 was another piece of legislation that, like Medicaid, was designed to help the poor in general but has had significant impact on meeting the needs of FHFs/wc. Although enacted in 1964, it was not until 1971 that the purpose of Food Stamps was declared to be the entitlement of every recipient to a nutritionally adequate diet and it was not until 1973 that a mandatory national food stamp program with national eligibility and benefit levels was developed.[12/]

While it can accurately be asserted that the enactment of the constellation of special programs in the 1960s has significantly augmented the income and resources available to FHFs/wc as well as other poor persons, it also has contributed to the enormous complexity of the current system. Each of the programs was established separately with its own constituencies, critics, administrative structures, rationale and procedures. Each covered overlapping but often different populations and it was always difficult for potential recipients to understand their entitlements under law and piece together the services available to them. Despite the complexities, however, each of the programs has mushroomed in terms of numbers of recipients and total costs. It is no wonder then that by the late sixties and early seventies, the demands for reform were already beginning to overshadow the programs' accomplishments and potential.

III. PHASE III: CONSOLIDATION AND ACCOUNTABILITY

By the late sixties and early seventies, cries for reform of what had come to be known as the "welfare mess" were beginning to mount. Costs of the domestic assistance programs had skyrocketed (Table 2 shows each program's initial costs compared with 1970 costs as an illustration), with little evidence that increased expenditures had resulted in reduction of dependency. The results of this assessment have been reforms in two major directions: organizational consolidation to reduce program overlaps and reduce the federal role in program design; and reforms to cut program costs by increasing administrative accountability. While many individual actions attempted to do both of these things, each category is discussed separately below.

A. Organizational Reforms

Since 1967, training and employment of welfare recipients and consequently of FHFs/wc has been a strong priority of all levels of government. The WIN program, as originally enacted, developed a significant portion of its resources to training activities which often had no clear relationship to subsequent job placement and reduction of welfare grants. In order to correct this deficiency, in 1971 WIN was reorganized to be jointly administered by the Department of Labor and HEW in an effort to relate WIN activities much more directly to job market demands and placement activities.[13/] In addition, in 1973 the Comprehensive Employment and Training Act (CETA) was enacted to consolidate a number of manpower training efforts which had developed in the 1960's into one program and to decentralize authority for program operation to prime sponsors who are mainly cities and counties.[14/]

TABLE 2

GROWTH IN FEDERAL PROGRAMS SERVING THE POOR

($000)

Program	Federal Expenditures for First Year of Program	Federal Expenditures FY 1970	% Increase
AFDC	$ 133,393 (1940)	$ 4,857,178	3541.2%
Medicaid	766,000*(1966)	2,500,000	226
Title XX	282,000 (Title IV-A 1967)	522,000	85.1
Food Stamps	35,135 (1965)	578,162	1545.5
Low Income Housing	69,402 (1949)	3,402,397**	4802.4

*Includes Kerr-Mills medical assistance program which was superceded by Medicaid.

**Estimates

SOURCE: The Budget of the United States, Fiscal Year 1977

The WIN program was retained for welfare recipients but its training functions were further curtailed by regulation in 1975 so that direct job placement has clear priority over longer term skill development training.[15/]

Another organizational change involved the development of the Title XX Social Service program which, among other things, replaced the former Title IV-A Social Security program that was attached to AFDC. Whereas, in the past, states were required to provide federally designated mandatory and optional services to current (and former and potential, at a state's option) welfare recipients, Title XX decentralized planning and administrative authority for social services to states who were given wide latitude within a fixed dollar ceiling to decide what social services they would provide to what clients, with the option of also serving non-assistance recipients with incomes up to 115% of the state's median income.[16/]

The Federal approach to low income housing was also altered by the creation, in the Housing and Community Development Act of 1974, of the new Section 8 Housing program which provides for rental payments on behalf of low income families to private owners. While the conventional low rent public housing program continues to be operated at the 1973 level, other smaller public housing programs which had developed over time have been curtailed. The Section 8 program reflects a significant change in the method of providing federal housing assistance which moves away from the traditional public housing approach, offers the possibility of much more freedom of choice for the low-income tenant and removes the federal government from costly financial involvement in undesirable public housing projects.[17/]

B. Reforms to Cut Costs

Despite the other recent reforms mentioned above, most of the current debate about all of the programs reviewed here is focused on ways of cutting costs and insuring accountability for use of funds. Most noteable among efforts to cut costs include the establishment of the Title IV-D (Social Security Act) Paternity and Child Support program which requires states to establish systems of tracking down fathers of AFDC children (and fathers of non-AFDC children upon request of the parent) and attempting to collect child support payments; quality control efforts in both AFDC and Medicaid which are focused on reducing errors in eligibility determination and overpayments, supported by the threat of financial penalties against states which fail to reduce error rates;[18/] stricter eligibility determination processes for food stamps, including the imposition of a work registration requirement;[19/] revised WIN federal fund allocation procedures which distribute funds on the basis of performance, defined as number of WIN placements and reductions in welfare grants;[20/] strong emphasis on reducing Medicaid fraud and abuse and prosecution of those responsible for fraudulent claims; cutbacks in state Medicaid programs in terms of services and beneficiairies;[21/] and HUD requirements that Local Housing Authority public housing operating costs must meet normative performance criteria to ensure Federal subsidy, which, coupled with the Brooke amendment which requires that rents in public housing be no higher than 25% of a family's income, has the potential of discouraging Public Housing Authorities from concentrating their resources in the poorest populations.[22/]

IV. SUMMARY

The development of the Federal strategy for the poor, as traced in this chapter, reveals a confused, erratic, and often contradictory Federal response to the non-aged poor in general and FHF/wc in particular. The presence of FHF/wc was barely recognized in Phase I (the Depression era); it was simply assumed that such families would exist primarily as a result of widowhood, and would ultimately be protected by survivor's benefits under Social Security. Federal involvement in Mother's Aid, for example, was assumed to be temporary, was negligible in cost, and was not a source of conflict. In Phase II, after the Second World War, divorce, separation, and childbearing by unmarried women increased, and the chronic poverty of minority groups was at last acknowledged; there then developed a pattern of conflicting attitudes toward the FHF/wc which resulted in grudging life support benefits and efforts to eradicate their poverty by preparing the poor for independence through social services and training.

While this remains the basic Federal strategy for the FHF/wc and other poor families, the consensus of the public, policy-makers, and professionals in the areas of economics and social welfare, as reflected in the professional literature and personal interviews, is that this strategy has not worked. It is extremely costly, but has failed in its intent to move the poor into the mainstream of the economy; for many FHF/wc it is a stop-gap between marginal jobs or the achievement of economic security through marriage; for others, it has created a life of deprivation and dependency.

An attempt to change the entire welfare system by moving to a Federally funded guaranteed income -- the Nixon Adminstration's Family Assistance Plan -- failed in the early 70's, and the Federal government has moved back to the original benefits/services/training and employment strategy, now characterized by Phase III organizational consolidation, and (it was hoped) simplification, some increased state latitude in program design, (contradicted by removal of state options in the Food Stamp program), and an overall preoccupation with controlling the costs of the programs through more stringent administrative quality control efforts. It would seem fair to conclude that, in terms of real system change, the nation has stood still and there is no consensus as to the precise mechanisms needed to bring about change.

The task now is to examine the present programs and to determine how they affect the FHF/wc today. in order to develop a common basis of understanding upon which a discussion of the need for reform can be built.

A detailed review of the major programs which comprise the Federal Strategy for the poor and their implications for the FHF/wc is presented in the following Chapter.

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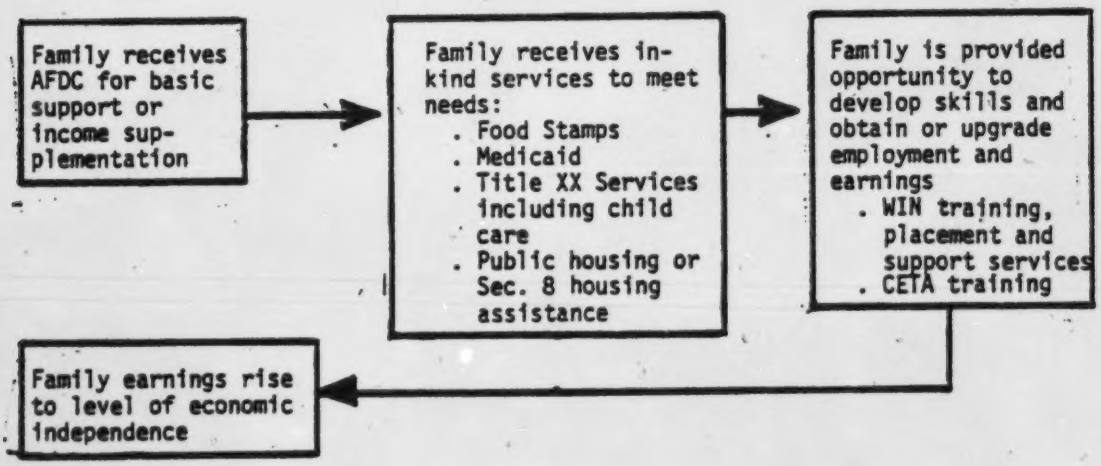
CHAPTER FOUR

CURRENT PROGRAM STRUCTURE AND ITS IMPACT ON THE FEMALE-HEADED FAMILY WITH CHILDREN

INTRODUCTION

In the preceding chapter the development of the programs which constitute the Federal strategy toward the poor family was briefly reviewed. The existing programs would appear to include the necessary elements for meeting the objectives of providing for basic food, clothing, shelter, and health needs of these poor and for providing opportunities for economic independence to those who can work.

Under Federal law, the programs are or can be linked together into a coherent system, which looks like this:


Family receives AFDC for basic support or income supplementation
Family receives in-kind services to meet needs:
. Food Stamps
. Medicaid
. Title XX Services including child care
. Public housing or Sec. 8 housing assistance
Family is provided opportunity to develop skills and obtain or upgrade employment and earnings
. WIN training, placement and support services
. CETA training
Family earnings rise to level of economic independence

However, as will be seen in this chapter, the present system does not, and probably cannot, conform to this idealized picture. In fact, the programs are administered at the Federal level by over nine different agencies or bureaus in four Cabinet Departments, each of which promulgates its own administrative rules and guidelines to be followed at the state or local level. Almost all of the programs require some different percentage of program funds to be provided by the states in order to obtain Federal matching funds, so that states may be in effect forced to choose between adequate funding of one program over another.

In addition, all of the programs are needs-tested. "Need", like "poverty", is a normative concept. Though all the programs incorporate relative need standards, only the Food Stamp program has uniform (albeit arbitrary) national monetary need standards based on household income and assets. The other programs give states or localities considerable latitude in defining what a family or individual "needs" for adequate life support and economic opportunities -- i.e., how much total resources are considered enough? Too much? With respect to training and employment, at what income level is a person needful of help? At what level should they be expected to fend for themselves? (Even the poverty index is constructed simply by measuring the costs of meeting minimal objective nutritional needs and multiplying that figure by three -- with adjustments for family size and composition -- to arrive at a poverty standard. There are no accepted objective measures of minimum need for housing, clothing, health care, or, indeed, anything else.)[1/]

As a result, eligibility for programs as determined by a state or locality's definition of need varies widely.

Finally, some of the programs are linked by law so that "need" for one is a prerequisite to achieving benefits in another; others are not linked, so that a family may be eligible for one but not another.

Considering these aspects of program structure, finance, and the normative nature of the need concept, we would not expect a smooth-running system of assistance to the FHF/wc. The details of each program's requirements and interrelationships, variations in state programs, actual benefits and services to the FHF/wc, are described below, and tentative conclusions with respect to the impact of current programs on meeting the current and long term economic needs of FHF/wc are presented in the concluding section.

I. BASIC PROGRAM DESIGN, STATE VARIATIONS, AND FHFs/wc SERVED

In this section, the Federal requirements, permissible state options, and actual state variations are briefly described and national data on program services to FHFs/wc are reported.

A. AFDC[2/]

Aid to Families with Dependent Children, which is authorized under Title IV of the Social Security Act, is the basic cash assistance program available to the low-income FHF/wc. In addition, AFDC participation is required in order to obtain benefits from certain programs or to receive priority in others. AFDC is administered by the Assistance Payments Administration within the Social and Rehabilitation Service, HEW.

1. Federal Requirements

State AFDC programs must be administered by a single state agency and benefits must be available statewide.

Those who must be considered categorically eligible for AFDC cash assistance under Federal law are children under age 18 and the "needy caretaker" (a parent or relative with whom they live) who are lacking support because of the continued absence, death, or physical or mental incapacity of a parent. (While this provision applies to male-headed single parent families, in fact the overwhelming majority of eligibles are FHFs/wc.) The Supreme Court has also ruled that families with a step-parent or other adult present may also be eligible if the other adult is not compelled by state law to provide for support of the children.*

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*Lewis v. Martin, 1970.

Actual eligibility is based on a Standard of Need which must be developed by each state and reflects the state's assumptions regarding the minimum income required for subsistence for families of different sizes. However, states are not required to make AFDC grants which meet their standards of need.

In determining eligibility for assistance, states assess income and assets. With respect to income, states must disregard (exclude from computation of income) unearned income in the form of the Food Stamp bonus, earnings of students, student loans, and incentive payments to WIN trainees ($30 per month). If the applicant is already employed, states must also exclude all reasonable work expenses, transportation, and costs of child care.

If total family income after these disregards is less than the need standard for that family's size, the family may be eligible for payments if it also passes the assets test. States typically exempt from calculation of family resources the value of the family's home, automobiles, and certain personal property and cash reserves (at a dollar value established by the state).

Families passing these income and assets tests may then be accepted for AFDC cash payments if two other conditions are met:

- Mothers of children age six or older must register with the Work Incentive Program for employment; and
- Any applicant for AFDC whose spouse (or father of each child) is absent due to divorce or desertion must provide the welfare agency with information as to the missing parent's

name and whereabouts and sign over to the state all claim to any support payments which can be obtained through the state's Parent Locator Unit, as established under Title IV-D of the 1974 amendments to the Social Security Act.

Once an applicant has been accepted for AFDC benefits, $30 plus 1/3 of the remainder of her earned income, if any, must be disregarded as a "work incentive" in determining the actual amount of benefits to be paid. A recipient is also automatically entitled under Federal law to be enrolled in the Medicaid and Food Stamp programs. According to a formula based on the average per capita income in the state in relation to the national average per capita income, the Federal government pays 50 to 81% of the cost of AFDC benefits (averaging 55%), and states are required to provide the remainder.* The more a state is willing to appropriate for its share, the greater the dollar amount, within the specified percentage, it will receive from the Federal government.

2. State Options

States may elect to cover students up to age 21 in eligible families, and may also elect to provide benefits to families with an unemployed father present.

The amount of the state's standard of need, which sets the basic income eligibility criteria for categorically eligible families, is left totally to the state's discretion, as is the proportion of that standard which will actually be paid and the methods by which payments to families are computed. Certain other income disregards (e.g., child's earnings), types of assets permitted, value of assets, and to some extent, definition of work-related expenses, are also left to the state's discretion.

*Less than a dozen states use an alternative payment formula in which a larger percentage of AFDC cash benefits are covered by the Federal government up to a dollar maximum per recipient. This is only advantageous to states with very low payment levels.

3. State AFDC Program Variations

As a result of the great latitude allowed states in determining eligibility for AFDC coverage beyond Federal requirements, the likelihood that the low-income FHFs/wc will receive benefits and the amount she and her children may receive varies. Available data on state AFDC program variations are reported below.

- Variations in AFDC Eligibility by Personal Characteristics. As of January 1973, AFDC benefits were limited to children under age 18 in 11 states, while 37 states provided cash assistance for children aged 18-21 in eligible families if the child is enrolled in some form of post-secondary training. One state limited eligibility to children aged 19 or under, and one included children up to age 21 if living in a licensed foster home or if he/she is physically or mentally incapacitated. Obviously, families in states which cover children through age 21 offer greater potential cash amounts to families over a longer period of time than is true of states with lower age limits. Twenty states provided benefits to the mother of an unborn child who has no other children, thus enabling her to obtain prenatal care through Medicaid. Women in these states had a significant advantage over comparable women in states without such coverage. Currently 26 states and the District of Columbia have adopted the Unemployed Parent (UP) option, permitting AFDC benefits to families in which both parents are present. While this is beneficial to low-income

families in general, the UP program provides no immediate advantage to women who are single family heads. It may, however, have the effect of encouraging families in UP states to reunite, thus reducing the social and financial strain on mothers and their children.*

- Variations in Income Eligibility and Payment Levels. The Standard of Need dollar level developed by each state is critical in determining income eligibility for AFDC benefits. No one whose income, minus any disregards allowed by the state, is equal to or greater than the need standard can be accepted by AFDC for initial receipt of benefits. The standard does not indicate the amount of cash assistance a family could actually receive, however, since states are not required to provide assistance which meets the full standard. The cost criteria used by states in developing their standards of need have not been documented. There is no requirement that the standards be systematically related to the current cost-of-living in the state, nor that they meet Federal poverty guidelines. In fact, needs standards in 1974 ranged from a low of $132 per month for a family of four with no other income ($1,584 annually) in Puerto Rico** to a high of $456 a month ($5,472 annually) in

*There is considerable disagreement among experts as to the effects on family disruption of the historical AFDC restriction of benefits to single parents. It is not at all clear that married couples with children actually separate in order for the mother and children to receive AFDC benefits even though it is to their advantage to do so if the father cannot provide adequate support. Ross and Sawhill[3] conclude that the major effect of the national AFDC program has been to prevent marriage by FHFs/wc rather than disrupting existing marriages. It is questionable whether even this result will remain true over time, given the recent court ruling that step-parents' income cannot be counted in determining the AFDC eligibility of mothers and children.

**Puerto Rico receives an AFDC lump sum from the Federal government and is not required to match funds.

Wisconsin. The median standard (with half of the states above and half below) was $315 per month ($3,700 annually). The 1974 poverty line for a family of four was $419 per month ($5,038 annually) which only the need standard of Wisconsin exceeded. Clearly, the amount of variation in needs standards, and thus potential income eligibility for AFDC, provides very inequitable access to aid for FHFs/wc in different states.

Of equal importance in assessing the adequacy and equity of the AFDC program across states is the actual amount of benefits a state will pay. As of 1974, 20 states provided maximum benefits equal to the need standard for a family of four with no other countable income, while the remaining states used an alternative formula for determining the proportion of the need standard which would actually be paid. These various formula include arbitrary percentages of need or deficit to be paid (the "rateable reduction"), absolute maximum payments by family size, and maximums on payments to large families. In dollar terms, the family of four described above would receive a low of $53 a month in Puerto Rico to a high of $403 a month in Wisconsin, with a national median cash payment of $274. However, if the family income is below the need standard but exceeds the payment standard after disregards, the family will not be entitled to any AFDC benefits and will therefore not be eligible for Medicaid either.

Data for 1975 reveal that the range of need standards changed slightly between 1974 and 1975 (low $106, Puerto Rico; high $497, Hawaii) and the median need standard dropped to $305. Payment standards follows a similar pattern, with a 1975 range of $42 (Puerto Rico) to $497 (Hawaii), and a median of $264. These data indicate that states not only have failed overall to keep pace with inflation, but that AFDC support levels dropped below their face value from the prior year in most states. As a result, AFDC recipients have incomes even further below the poverty line than previously.

The distribution of need standard levels, largest amount paid, and percentage of need paid in each state in both fiscal years is shown in Table 1.

TABLE 1

AID TO FAMILIES WITH DEPENDENT CHILDREN: MONTHLY AMOUNT FOR BASIC NEEDS UNDER FULL STANDARD AND LARGEST AMOUNT PAID FOR BASIC NEEDS FOR A FAMILY CONSISTING OF FOUR RECIPIENTS, BY STATE, JULY 1974 AND JULY 1975

State	Monthly Amount for Basic Needs: Full need standard 1974	Monthly Amount for Basic Needs: Full need standard 1975	Largest Amount Paid for Basic Needs: Amount 1974	Largest Amount Paid for Basic Needs: Amount 1975	Largest Amount Paid for Basic Needs: Percent of full standard for basic needs 1974	Largest Amount Paid for Basic Needs: Percent of full standard for basic needs 1975
Alabama	$225	$225	$124	$135	55%	60%
Alaska	400	400	400	400	100	100
Arizona	282	282	184	183	65	65
Arkansas	275	302	125	140	45	46
California	347	389	311	349	90	90
Colorado	262	264	262	264	100	100
Delaware	287	287	230	258	80	90
District of Columbia	349	349	279	297	80	85
Florida	223	230	151	170	68	74
Georgia	227	227	160	152	70	67
Hawaii	399	497	399	497	100	100
Idaho	314	395	298	344	95	87
Illinois	288	300	288	300	100	100
Indiana	363	363	250	318	69	88
Iowa	376	376	296	357	79	95
Kansas	343	295	322	295	97	100
Kentucky	234	235	171	235	73	100
Louisiana	203	203	122	158	60	78
Maine	349	349	168	279	48	80
Maryland	316	314	226	242	72	77
Massachusetts	304	304	304	304	100	100
Michigan	400	418	400	418	100	100
Minnesota	370	293	370	293	100	100
Mississippi	277	277	60	60	22	22
Missouri	337	337	183	150	54	46
Montana	274	252	274	252	100	100
Nebraska	307	380	280	336	91	88
Nevada	329	341	201	249	61	73
New Hampshire	346	221	346	221	100	100
New Jersey	356	356	356	356	100	100
New Mexico	239	239	206	206	86	86
New York	392	448	392	448	100	100
North Carolina	184	200	184	200	100	100

TABLE 1 (Continued)

	1974	1975	1974	1975	1974	1975
North Dakota	$315	$347	$315	$347	100%	100%
Ohio	389	431	201	254	52	59
Oklahoma	236	264	236	264	100	100
Oregon	365	431	338	392	93	91
Pennsylvania	349	349	349	349	100	100
Puerto Rico	132	106	53	42	40	40
Rhode Island	311	319	311	319	100	100
South Carolina	217	217	117	117	54	54
South Dakota	328	329	328	329	100	100
Tennessee	217	217	132	131	61	60
Texas	187	187	140	140	75	75
Utah	356	397	274	306	77	77
Vermont	400	439	360	351	90	80
Virgin Islands	166	166	166	166	100	100
Virginia	346	272	311	245	90	90
Washington	336	370	336	370	100	100
West Virginia	270	332	217	249	80	75
Wisconsin	456	456	403	397	88	87
Wyoming	260	270	227	250	87	93

SOURCES: U.S. Congress, Joint Economic Committee. Handbook of Public Income Transfer Programs: 1975. Washington, D.C.: Government Printing Office, December 31, 1974.

U.S. Department of Health, Education and Welfare, Social and Rehabilitation Service, Assistance Payments Administration. "Characteristics of State Plans for Aid to Families With Dependent Children under the Social Security Act, Title IV-A," 1974 edition, as revised for July 1975 by special report from states and regions. Washington, D.C.: 1975, Table 2.

The Table clearly reveals that the key factor in determining AFDC eligibility and the amount of cash assistance available to the FHF/wc in a given state is not the need standard or the percentage paid, but the combination of the two, which reflects state ability and willingness to appropriate AFDC funds to match the Federal share. In general, family benefits will be highest in the Pacific and Mid-Atlantic states and lowest in the South Central states. In no case would AFDC basic cash assistance to a family with no other income bring that family above the poverty level; to achieve a minimum subsistence level of living, the family must receive in-kind (medical care, food assistance, housing, social service) benefits through other programs which, as shall be seen, are also often unequally available across states.

- Variations in State AFDC Treatment of Income, Expenses, and Assets. The type and amount of income and assets which are excluded from computation of a family's need for assistance is of greatest importance in determining whether a family will be eligible at all and, if so, what amount of cash assistance will be provided once a state's standard of need and benefit computation formula is applied. As noted earlier, all states are required to disregard $30 + 1/3 of remaining earned income in determination of benefits only if the applicant has already been found eligible for AFDC under the state eligibility criteria. This produces a systematic inequity for the working poor, which will be discussed in detail in a following section. Otherwise, states vary in their computation of family income, expenses, and assets in the following manner:

-- Income. As of 1973, eight states disregarded from countable income the first $5 per month of family income from any source; one state disregarded the first $5 per month of any child's income; and one state disregarded the first $5 a month of income from each family member. Forty-four states had no such disregards. These seemingly small sums could make the difference between eligibility or ineligibility for AFDC, which in turn determines whether or not the family would automatically receive Medicaid, Food Stamps, Title XX, and WIN benefits.

Twenty states disregard a portion of income which is being reserved by the family for the child's future educational needs, although the allowable amount, child's age, and other requirements vary. The effect of this disregard is similar to that of the disregards described above and, in addition, provides the single parent in these selected states with a means of ensuring future educational and economic opportunity for her children.

-- Expenses: While all states are required to disregard reasonable work-related and child care expenses if the applicant is employed, state treatments of "work related expenses" have varied widely, i.e., some disregarded the actual costs of taxes, transportation, child care, etc.; others allowed a percentage of costs, and still others allowed only a standard deduction.[4/] These practices

were recently declared illegal by the Supreme Court*, which determined that actual costs must be disregarded consistent with the intent of the law to assist persons attain or retain maximum independence. However, states still retain some flexibility in defining what constitutes a "work-related" expense (e.g., how much additional clothing is needed by an employed vs. unemployed person?), which in turn can affect total amount disregarded and thus determine eligibility and payment levels.

-- Assets. States are free to set limits on the assets a family may hold (the resource reserve) and still be eligible for AFDC (although they must include in the resource reserve the applicant's home up to some value, some personal effects, and automobile needed for transportation), and may include in the family resource reserve other real and personal property which does not exceed $2,000 per recipient. As of 1973, 38 of the states and territories reserved the home from the assets computation, while nine limited the amount reserved for a home to the owner's equity and six reserved homes only up to a specified market value. The cash value of liquid and property assets allowed a family of four ranged from $250 in Connecticut to $3,000 in Utah, with a median cash value reserve permitted of $1,000. The proportion, if any, of such reserves which could be accounted for by property other than home or automobile was stipulated in 20 states. Life insurance was allowed in family reserves computations in 30 states, but was counted as an asset in the remainder; automobiles were reserved from asset computation, either fully or to a maximum value, in 33 states and territories, but were counted as assets in 21 states.

*Shea v. Vialpando, April 23, 1974.

This brief review of variations in asset limits only skims the surface of actual variations (e.g., in one state a car was reserved from assets only if more than three years old; cash reserves in another include, in addition to the standard amount, $3,000 worth of equipment used by recipient if part of a recognized plan for achieving self-support, etc.). The net effect of these variations is simply that the level of destitution a family must reach in order to be eligible for AFDC cash assistance is so lacking in uniformity that families in equal circumstances could have their total assets counted in over 50 different ways, depending on their place of residence.

4. Actual AFDC Benefits to the FHF/wc

As of December 1975, 3.4 million FHF/wc received AFDC benefits. These families included 7.8 million children. The total cost of benefits was $78 million; average payments to FHFs/wc ranged from $48.61 in Mississippi to $347.45 in Michigan.[5/] This number is greater than the 2.2 million FHF/wc households at or below the poverty line (1974) reported in Chapter Two, and may be explained by a number of factors, including an increase in the number of eligible families in the later recession year, the short term nature of AFDC status for many women contrasted with annual income figures, and the inclusion of many secondary* families in the AFDC count.

The median length of time a family remained on AFDC in 1973 (the most current data available) was 1.6 years, and three in ten families were enrolled for less than a year. Only one in ten families had received aid for more than 5 years.[6/]

Many of the discontinuances were due to income eligibility (46%), including increased earnings of the AFDC mother (13%) and other sources of

*The Bureau of the Census defines a secondary family as one that resides with another family. The head of a secondary family is therefore not a household head.

increased income (Social Security, 4.1%; remarriage, 7%; etc.), while the majority were due to other changes in eligibility status (30.8%, including loss of legal residence and child no longer in home) and refusal to comply with procedures (17.8%), etc.[7/]

The coincidence of AFDC benefits and household poverty are difficult to determine, in part because of caseload fluctuations. Furthermore, while the FHF/wc stays on "welfare" for a shorter time than is generally believed, reasons for discontinuing AFDC benefits have less to do with increased income and movement toward independence than with program characteristics (loss of benefits when children leave home, residence changes) and procedures which are unacceptable to clients.

To summarize, legally permissible state variations in basic coverage, income eligibility levels, the largest amount paid to a family, and the treatment of income, expense, and asset variables in determining eligibility and actual cash assistance are so great that a FHF/wc in equal financial circumstances would certainly receive unequal access to and level of benefits depending purely on where she lives. This is not to argue at this point that benefits should be identical across the nation, as there may be real differences in both cost and standard of living in different regions; however, the current AFDC benefit levels are not systematically related to local cost or standard of living, but rather to how state governments define need or are able and willing to pay their share of AFDC support. Evidence on average grants suggests that even the most generous basic AFDC benefits do not ensure that a family's essential needs will be met through cash benefits alone, so it is crucial under the current system that families have access to in-kind benefits from other programs. For many of the remaining programs to be examined, AFDC status is the prerequisite to the

achievement of other benefits to meet current needs and achieve economic independence. Therefore, inequities in access to AFDC in different states is of even greater significance than the inequities in the amount of cash assistance which may actually be obtained.

B. Medicaid[8/]

The Medicaid program (Title XIX of the Social Security Act) is the major source of health care assistance to low income persons under age 65. It is administered by the Medical Services Administration of the Social and Rehabilitation Service within HEW.

1. Federal Requirements

As with AFDC, state Medicaid programs must be available statewide. There is no requirement for single state agency administration of the program.

The Medicaid program must be extended to all AFDC recipients, including to all AFDC children up to age 21 for purposes of the early and periodic screening, diagnosis, and treatment (EPSDT) aspect of the program.* It follows that those who are automatically entitled to health care benefits under Medicaid must meet the same state-determined income, assets, and family composition tests used to determine eligibility for AFDC and must actually be enrolled in the AFDC program. Those whose earnings or other income rise to a point at which they no longer receive AFDC grants become ineligible after four months for Medicaid unless a state opts to have a program for the medically needy.

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*Persons enrolled in the Supplemental Security Income (SSI) program for aged, blind and disabled are also automatically covered by Medicaid. While this has benefit implications for the older single woman or FHF/wc with a blind or disabled member, this discussion will focus on the AFDC and non-disabled low-income FHF/wc.

No direct cash assistance for medical purposes is provided under Medicaid; rather, states make payments directly ("vendor payments") to health care providers who serve Medicaid clients. Levels of payment for different types of providers are determined by the state, except that payments to hospitals must take into account the same factors that are used for determining Medicare payments. (The actual amount paid to a hospital under the two programs need not be equal.) Services provided under state Medicaid programs MUST include inpatient hospital care, some outpatient hospital services, laboratory and x-ray services, skilled nursing facility and home health services for individuals 21 and older, physician services, family planning services and early and periodic screening, diagnosis, treatment of children under 21.

As with AFDC, the total amount of funds a state receives from the Federal government is determined by the amount a state appropriates for Medicaid services. The Federal government pays 50 to 81% of state Medicaid costs, according to the AFDC formula.

2. State Options

With respect to eligibility, states may opt to provide Medicaid benefits to the "medically needy" -- those who would be eligible for AFDC (and other "categorical" income assistance programs) on the basis of that program's criteria (e.g., single-parent family with dependent children) -- but who are not actually enrolled because their income exceeds the basic

standard of need or maximum benefit level. Such families may receive Medicaid benefits if their income is at a level, specified by the state, which is between the AFDC standard and 133 1/3% of that standard. States with "medically needy" coverage must require that a family "spend down" to the basic AFDC income level (i.e., pay medical bills until income reaches AFDC requirements). States without AFDC/UP coverage may also opt to provide coverage to all AFDC income-eligible children under 21 even when their families are not AFDC recipients because both parents are present.

States may provide additional services beyond those covered by Federal law (e.g., dental care, drugs, eyeglasses) and may limit the extent of both mandatory and optional services offered (e.g., days of hospital care allowed, number of physician visits per month). States may also require co-payments by recipients for certain optional services and services to the medically needy.

3. State Medicaid Program Variations

Because of the optional services and optional coverage of medically needy, Medicaid would appear to offer greater opportunities for state variation and for inclusiveness of needy families than does AFDC. However, the rate of inflation in the costs of medical care in recent years has placed great pressure on states to cut back existing optional benefits and has slowed expansion of coverage to the medically needy.

- Variations in Eligibility. As of June 1975, 32 states and territories had adopted medically needy programs. Only 16 non-UP states provided coverage to children under 21 in two-parent families.

With respect to limitations on mandatory services, it is virtually impossible to summarize these with any degree of accuracy due to the rapidity of state cut-backs in services to meet their financial crises. The general variation in scope of mandatory services as of 1975 was enormous; while 28 states imposed no limitations on the use of intermediate care facilities, one did not include this service; inpatient hospital service restrictions ranged from, e.g., 8 days for medical/surgical treatment, 4 days for confinement and delivery, and 10 days for psychiatric care in one state to unlimited days in another. Twenty-nine states limited specific physician services such as number of home and office visits per month or medical examination without prior authorization, whereas 20 states imposed no limits on physician services.

However, the cut-backs which occurred in that same year included, for example, one state's reduction of allowable inpatient hospital days from 30 to 20 per year; another imposed a $.50 co-payment on each prescription and refill per client; and still another froze reimbursement rates to all providers at the 1974 level. Thus, state variations in Medicaid services available to the FHF/wc may actually be further reduced in the direction of considerably lower amounts of benefits available and higher out-of-pocket co-payment requirements on families. At the time of this writing, abortion services -- which had been considered legally mandated -- were prohibited by Congress from Medicaid coverage by the FY 77 HEW Appropriations Bill. This action is currently being challenged in the courts.

Finally, optional services -- which are also subject to reduction or removal from current Medicaid programs -- are distributed very unevenly across states, particularly those services which would be most beneficial to mothers with young children. For example, dental care is covered in 36 states (11 of which do not serve the medically needy); eyeglasses are covered in 36 states, again with 11 serving only AFDC and other categorical recipients; and psychiatric inpatient care of children is available in only 27 states.

4. Actual Medicaid Benefits to the FHF/wc

The Medicaid reporting system does not distinguish between female-headed AFDC families and male-headed AFDC families; however, the number of father-headed families under the UP program is so negligible (1[illegible],546 in December 1975)[9/] that the aggregate data on Medicaid services to AFDC recipients can be used here as if it referred to the FHF/wc.

In FY 1974, the average monthly number of AFDC families was 3.1 million, for whom $2.7 billion was provided for health care under Medicaid. The average Medicaid expenditure per individual recipient was $253; the average payment for families was $870, with an average of $190 for children and $420 for adults. With respect to the medically needy, 457,547 AFDC categorically eligible (not receiving AFDC benefits due to income) received care in FY 1973 at a cost of $168 million, and 1.6 children received care at a cost of $378 million.

With respect to type of care received, AFDC adults most frequently received dental, physician, and inpatient hospital care; the same was true of children, although they received proportionately more dental care and less inpatient hospitalization than adults.

These data suggest that AFDC recipient FHFs/wc do receive substantial benefits through Medicaid, while the non-AFDC medically needy family's access to Medicaid is negligible.

To summarize, Medicaid assistance is available only to low-income FHFs/wc who are AFDC recipients in almost half of the states, and even when the non-recipient is covered, income eligibility is still categorically linked so that eligible income levels vary as much as AFDC eligibility levels. Those who are AFDC recipients receive, on the average, significant in-kind benefits through Medicaid, but the medically needy do not. The scope of services provided is dependent on the state's financial posture and commitment to serving the poor. As with AFDC, options chosen by states result in unequal treatment of FHF/wc and other poor families in equal circumstances.

C. Title XX Social Services[10/]

As noted in the preceding chapter, social services -- particularly day care for children of low-income FHFs/wc -- were previously earmarked for current, former, and potential AFDC recipients under Title IV-A of the Social Security Act. Social services were also available under other titles to recipients of income maintenance assistance to the aged, blind, and disabled. Title XX removed the earmarks in order to give states greater latitude in determining local service needs. Thus, groups advocating increased day care services must compete with other eligible groups for

funds under the federal ceiling which were formerly guaranteed (though rarely fully available) with no ceiling on Federal matching for expenditures. The program is administered at the Federal level by the Public Services Administration of the Social and Rehabilitation Service, DHEW.

1. Federal Requirements

The Title XX program must be administered by a single "designated" state agency, but states are not required to provide all services statewide. Some services may be targeted to geographic areas with high need.

Title XX requires that states develop comprehensive Annual Service Plans, hold public hearings on the plans to ensure maximum citizen review, and then submit final plans to HEW for approval for funding. In order to receive approval, the plan must meet the procedural requirements of the planning process and must, in addition, show that proposed services are directed at meeting one or more of the following objectives:

- Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency.
- Achieving or maintaining self-sufficiency, including reduction or prevention of dependency.
- Preventing or remedying neglect, abuse, or exploitation of children and adults.
- Preventing or reducing inappropriate institutional care.
- Providing appropriate institutional care, where necessary.

Within the five national objectives stated in the law, states must provide at least three services to adult Supplemental Security Income recipients and at least one service directed toward each of the five goals.

Federal eligibility requirements for Title XX services include three services (information and referral, and child and adult protective services) which may be provided free to anyone without respect to income; otherwise, services must be provided to persons eligible for or receiving AFDC, Medicaid, and SSI benefits. Fifty percent of the Federal share of Title XX funds must be spent on such persons, and services may also be provided to other persons whose incomes do not exceed 115% of the state's median income, adjusted for family size.

Reasonable income-related fees must be charged to all those whose incomes are between 80 and 115% of the state's median income and may be charged to AFDC and other categorical program recipients. With respect to child care, services purchased under Title XX must meet Federal Interagency Day Care requirements by FY 1977.

With respect to financing, the Federal government reimburses states for 75% of the costs of services within a state's population-based allocation of the $2.5 billion available for the program.

2. State Options

States are free to define the specific services they will provide within the broad Federal guidelines noted above. They are also free to set different eligibility standards for different services or different categories of people. For example, a state may decide to provide day care services for children of AFDC working mothers only or may include other families at higher income levels up to 115% of the state median. Thus, Title XX offers the opportunity to both expand and restrict access to this essential need of the working FHF/wc.

3. State Program Variations

Data available as to how states proposed to expend their Title XX allotments in the first year of program operation reveal wide variation in the extent to which services of particular relevance to the FHF/wc -- i.e., child care -- were to be provided. While child care was among the top three services to be offered in terms of percentage of funds to be spent in 42 states, the proposed proportions of funds for child care varied from 8.5% to 42%, with an average for all states of 25.2%. Priorities for other services in states with relatively low allocations for child care tended to focus on the needs of the elderly and disabled.[11/]

4. Actual Provision of Title XX Child Care Services to FHFs/wc

Reports[12/] from the first full quarter of Title XX implementation (October-December, 1975) indicate that 467,540 children received child care services purchased through Title XX. Of these, 56% were children of AFDC families (primarily FHFs/wc). Of these families, child care was provided for training and employment reasons to 298,531 children. Child care to AFDC families who were not in training or employment was provided for 68,774 children. Care for children of non-AFDC families meeting state income eligibility requirements was purchased for 110,235 children. It is not possible to determine how many of the latter lived in female-headed families.

With respect to type of child care service offered, day care centers were most frequently utilized by income eligibles (IEs) -- 75% of care purchased for them was center-based, compared to 58% center care for non-employed AFDC families and 42% center care for employed/in train- AFDC families. The latter families were more likely than non-working AFDC recipients to use in-home care (34% vs 20% respectively) and IE's used in-home care least (6%). No cost-of-care data are available at

this time for Title XX, but analyses of the costs of meeting standards comparable to the Federal Interagency Day Care Requirements suggest that center care is likely to be the most expensive form, particularly for young children.[13/]

In summary, it is not yet possible to determine whether states actually provided as much care as was planned as only first-quarter data are available, and since day care services for AFDC and IE families are not reported by state it is not possible to determine the level of interstate disparity in eligibility requirements and service delivery.

These limited data do reveal that AFDC -- presumably FHFs/wc -- families are receiving slightly more than half of all Title XX care, while IE families, whose composition and actual income level is unknown, are receiving the presumably more expensive center care.

The aggregate number of children served (477,540) is a miniscule proportion of the 7.7 million children in AFDC recipient female headed families; and while there are not accurate estimates of child care needs among the low-income FHF/wc, it is clear that Title XX is not now a significant source of day care services. In making this observation it must also be remembered that child care services for the low income working FHFs/wc are indirectly made available through income disregards for AFDC recipients, WIN child care vendor payments for trainees, state-sponsored programs in a few states, and child care deductions from Federal Income Tax (although the latter is of little real benefit to very low income families).[14/] In addition, Title XX potentially provides the first directly subsidized child care on any scale to the working poor non-AFDC recipient by virtue of the state's option to serve those with incomes up to 115% of the state median.

D. Food Stamps[15/]

Of all the Federal programs examined here, only the Food Stamp program, administered by the Department of Agriculture, is truly national with respect to eligibility and benefit criteria.

1. Federal Requirements

Food Stamps must be made available statewide. The program is administered by the State Welfare Agency.

All AFDC recipient households are automatically eligible to receive food stamps.* Non-AFDC families, or households in which not all members are included in the welfare grant, must pass an income and asset test which is relatively more generous than the income and assets test applied to the AFDC program in most states.

Allowable monthly income for a family of four was $553 in 1976 (higher than the highest standard of need for AFDC). Net income is derived by deducting mandatory withholdings from wages, such as taxes and union dues; medical expenses in excess of $10 per month; total monthly costs of child care, if necessary for employment; 10% of wages or salaries up to $30 per month; and housing costs in excess of 30% of net income after all other deductions have been subtracted.

Allowable assets include chiefly home, one automobile, personal effects and household goods, cash value of life insurance policies, income producing property and equipment necessary to self-support.

*Other automatically eligible households include SSI recipients and recipients of state General Assistance funds.

Households may also hold savings, cash, and other assets up to a value of $1,500 -- $3,000 if the household contains at least two members, one of whom is 60 or over.

Recipients between the ages of 18 and 65 who are not medically exempt must also register for work at the state employment service and must accept suitable employment. Public assistance recipients register under WIN. Mothers of children under 18 are exempted from this requirement, as compared to mothers of children under six in the AFDC program.

Once a family is enrolled in AFDC, or a non-AFDC family has been determined to be eligible according to the above criteria, the local Food Stamp Office must compute actual net income in order to determine the value of Food Stamps to which the family is entitled and the amount of that value which must be paid by the family. The value of stamps which exceeds the purchase requirement is known as the "Food Stamp Bonus". There is a nationally-published schedule of purchase requirements for families of different size and income and a periodic cost-of-living adjustment in benefits is required by law. A family of four with net income, minus all deductions, of $533 is entitled to $166 in Food Stamps for which it must pay $142, netting a $24 bonus. The family of four with the AFDC 1974 median income payment, less deductions, of $274 is also entitled to $166 in Food Stamps, for which it must pay $77, giving an $89 bonus. Recipients must be offered the choice of purchasing their total allotment at one time, bi-monthly, or more frequently to meet special needs. States are also required to engage in outreach programs to ensure that all eligible persons are aware of their rights to benefits. There is no comparable requirement by other programs included here.

The program is financed by the Federal government through open-ended appropriations which cover 100% of the cost of bonus coupons. The Federal government also pays 50% of all state and local administrative costs.

2. State Options

As indicated above, states have no options with respect to eligibility and benefit levels. As with all other programs included in this study, there are state variations in program location and application processing which makes access more or less complex for the applicant. In addition, states may require counties to contribute a portion of the 50% share of state administrative costs.

3. Actual Provision of Food Stamp Benefits to FHFs/wc

Forty-two percent (2.2 million) of all Food Stamp households receive AFDC benefits; they are the largest clientele of the Food Stamp program. Of these households, 60% had no other source of income than an average AFDC grant of $283 a month. Sixteen percent of these AFDC households also had earnings from salaries and wages, with an average monthly income of $518 per month.[16/]

Among non-AFDC recipients, approximately 11% had only salary and wage income and resources which met the income and assets test for the program, with the remainder receiving income from other, mostly public, sources. It is not possible to determine how many of these working poor are FHFs/wc. Of all recipients, however, 64% are female headed households and of these, 70% are FHFs/wc.

While these data are impressive, there were 3 million female-headed AFDC families in December 1975, which suggests that over 1 million AFDC families were not receiving the benefits to which they were entitled.

To summarize, the Food Stamp program provides equally for families with equal economic need, regardless of family composition or place of residence, although it can be argued that families in low cost-of-living areas benefit relatively more than families in high-cost areas due to the uniform benefit level. Overall, this program is least restrictive with respect to access to assistance for non-AFDC low income families, as is indicated by the fact that 11% of recipients had low earnings but no public assistance benefits. However, the discrepancy between AFDC caseload and the number of AFDC recipients receiving food stamps is troubling and suggests that many such families are unaware of their eligibility or may find it too difficult to participate for other reasons.

E. Low-Income Public Housing[17/]

Low-income public housing is authorized by the U.S. Housing Act of 1937, as amended. Expansion of public housing was halted in 1973, but remains the largest single source of subsidized housing for the poor. Currently, there are approximately 1.4 million low-income public housing units administered by Public Housing Agencies (PHAs) and funded by HUD. Additional units will be added to the program in 1977.

1. Federal Requirements

Low-income public housing is administered at the city or county level by PHAs created under state law (although there is no direct state involvement unless the state is the PHA).

In accordance with Federal requirements, rents charged to participants may not be less than 5% of the participant's total income nor more than 25% of the participant's adjusted income, which is 95% of total income (90% in the case of elderly) less a deduction of $300 for each minor, disabled person, handicapped person or full time student in the family (other than the head or spouse), and less certain other deductions for medical expenses, child care, and other minor deductions. In states where the AFDC grant is subject to adjustment in accordance with the family's actual housing costs, the rent may exceed 25% of adjusted income. Assets are not taken into consideration in fixing rents. The income calculation is relatively more generous than most AFDC income requirements.

Under current regulations, high-rise, elevator-type housing may not be occupied by families with children. Historically, proposed new low-income public housing was required to be approved by the local governing body with respect to location and, as of the 1974 Housing and Community Development Act, proposals must also conform to an area housing plan. There has never been a statutory formula for allocation of public housing units to different geographic areas.

Projects are financed by the PHA through the sale of tax-exempt notes or bonds. The Federal government enters into a contract with the PHA by which it guarantees an annual contribution to the PHA sufficient to repay the notes or bonds. In some cases, projects are leased by PHAs from private owners and then the Federal contribution is used to pay the difference between the rents paid by the tenants and the rents paid to the owners. In instances where a PHA's operating costs exceed

the rents paid by the tenants, an additional contribution is available to make up the difference. PHA-owned projects are exempt from state and local property taxes.

2. Local Options

Eligibility for the program is based on income limits set by the PHA which vary in accordance with family size. Present Federal requirements are likely to result in PHA's establishing the limits in the vicinity of 80% of the median income in the locality for a family of four. Currently, however, most income limits are closer to 50% of the median. PHAs may adopt an asset test in addition to the income limit if required by local conditions.

3. Local Variations

Rents actually charged vary by locality and were roughly 20 to 25% of net income or $48 per month in 1972, and eligibility for admission for a family of four ranged from $7,800 in New York to $4,700 in San Antonio. Summary data are not available with respect to local eligibility priorities and range of rentals charged. Neither were data available concerning the equity of distribution of the 1.4 million low-rent public housing units in relation to the low-income or FHF/wc population in different states or counties. A 1972 national survey by the Joint Economic Committee of the Congress[18/] concludes that some public housing was available in areas containing 85% of the AFDC population and 74% of the poverty population, but that public housing was unequally distributed within these areas. This distribution is in part the product of changing population patterns and historical municipal participation in the program.

4. Actual Provision of Low Income Housing to FHFs/wc

In 1973, 70% of all public housing tenants were FHFs/wc and the average income of all tenants was $3,000. National data are not available as to the total number of tenants of public housing, but assuming that each of 1.4 million units houses a family (a questionable assumption due to vacancy rates in less desirable projects), at least 980,000 FHFs/wc have access to low income housing. The income level of these families and their AFDC status could not be determined.

In summary, data on this extremely decentralized program are too sparse to warrant judgment about inequities across different local jurisdictions. By its very nature, however, the public housing program has the potential to serve a wide range of poor and near-poor families and to provide services up to a higher income level than is true of AFDC or Medicaid, which thus offers greater inherent opportunity to both meet current needs and promote efforts at long-term independence. The program also serves more FHFs/wc than any other family type.

The essential failings of the program have to do with the much-publicized inadequacies of many existing projects as safe and decent places for families to live, a maldistribution of access to public housing which has evolved over time, and a large total gap between the number of families needing low income subsidized housing and the number of units available.

F. Section 8 Assisted Housing

Section 8 of the 1974 Housing and Community Development Act, also administered by HUD, represents an effort to provide greater choice of housing for low-income families as a means of overcoming some of the

stigma attached to existing projects and the overhead costs involved in their administration. It replaces, in effect, past efforts in this direction (particularly the Section 236 rental housing construction subsidy and rent supplements associated with it) which proved to be unduly costly and susceptible to fraud. While the Section 8 program is the newest and smallest operating HUD program in terms of actual housing produced to date (only 81,588 Section 8 units were actually occupied as of November 1976),[19/] it is important to consider the program's procedure and operations because of the Federal policy commitment to this strategy.

1. Federal Requirements[20/]

The Section 8 program is funded by HUD and administered by local Public Housing Authorities, which need not be the same as those administering low income public housing. In January 1975, three basic Section 8 program variations were implemented to assist low income families in finding rental units in their localities:

- Existing Housing Program, which directs eligible families to current vacancies.
- New Construction Program, which encourages private owners and PHAs to build, using either private or other forms of HUD financing, and then lease a percentage of these new units to eligible families.
- Substantial Rehabilitation Program, which, similar to New Construction, allows private owners or PHAs to rehabilitate units using either private financing or other forms of HUD assistance and then lease to eligible families.

New Construction and Substantial Rehabilitation are neither mortgage insurance nor loan programs; they merely guarantee the builder a portion of the return on his/her investment, which is intended to serve as an incentive to low-rent housing construction.

Once units are identified, using one of the three methods listed agove, they are rented to eligible low-income families who pay approximately one-fourth of their income as rent. The balance of what has been determined as contract rent is paid by HUD in the form of a Housing Assistance Payment.

Eligible families must have, at the time of initial rental, incomes which do not exceed 80% of the area median income, with adjustments for family size and unusual local conditions. At least 30% of recipient families may not have incomes in excess of 50% of the area median, as determined by HUD. There are no explicit income disregards or assets tests. Once a family's eligibility has been determined by the PHA or other local agency responsible for Sec. 8, the family is sent to look for housing. If the potential tenants and landlords agree on a rental unit, the local athority certifies the landlord for Section 8 payments if the unit meets local housing standards and rent to be charged is no more than 10% above the fair market prevailing in the area for comparable units.

2. Local Options

Funds are allocated to localities based on their proposed housing plans and documented need. PHAs, if they choose to participate, may then apply for funding needed to finance a particular number of units within their jurisdiction. The number and type of units applied for must be consistent with the area's documented need.

PHAs are defined as "any state, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of housing low-income families".

3. Local Variations and Actual Provision of Sec. 8 Housing to FHFs/wc

While the operations of the Section 8 program have not yet been systematically evaluated, there are some early indications that current beneficiaries (of the 81,588 families actually receiving supplements), tend to be very low-income families rather than the low-to-moderate level envisioned in the law. In the Sec. 8 existing housing program, for example, 70% of all participants are female-headed families and 33% are elderly.[21] This may indicate that PHA's are referring AFDC families to the Section 8 program to reduce their own low-income renter proportion or simply to house those who would otherwise long remain on waiting lists. As the program becomes fully implemented, it does offer potential for equal benefits to families in equal circumstances on a national basis.

In summary, the new Section 8 program may avoid the inequities in eligibility and benefit levels inherent in AFDC, Medicaid, and Title XX; it is in many respects a more geographically fine-tuned version of the Food Stamp program. The major barriers to its ultimate success for the FHF/wc would appear to rest with the maximum amount of funds available, and with potential unwillingness on the part of the private sector to fully accept poor families in standard housing even with a subsidy.

G. WIN[22]

The Work Incentive Program (WIN) was created by the 1967 amendments to the Social Security Act, and is jointly administered by DHEW and the Department of Labor at the Federal level and by state labor and public welfare departments at the state and local level. The program has become increasingly constrained by Federal requirements in recent years in an effort to target resources on employment and provision of supportive

services to the AFDC family while moving training and job development responsibilities primarily, though not exclusively, to the CETA program. Thus, WIN programs are fairly homogeneous across states at the present time.

1. Federal Requirements

Each state is required to maintain a WIN program through the state employment service in every political jurisdiction in which there are a significant number of AFDC recipients. The state is also required to maintain a separate administrative unit (SAU) to provide supportive services to WIN enrollees.

Registration with WIN is required of every AFDC applicant who is not a mother of children under six years of age. Mothers who are not so required may volunteer for WIN. The income and asset level of those who must or can register is the same as that required under the state's AFDC program. Under current regulation, an AFDC applicant must be registered for WIN and is required to accept reasonable employment opportunities offered by the WIN staff of the state employment service, should any exist within the time allowed for her AFDC application to be acted upon.

Should the applicant not become immediately employed, and is determined eligible for AFDC benefits, she is required to meet with a WIN employment counselor for evaluation of her employability potential. Should she be judged employable, the WIN counselor and SAU service worker are to meet with the applicant to develop an employment plan. If it is determined that the WIN registrant could assume a job quickly with appropriate social services, an attempt is made first to directly place

the individual in an available job; if such a job is not available the individual may be placed in existing, unsubsidized employment or a public service employment (PSE) job reserved for the WIN program. Day care, purchased through direct payments to the caregiver (vendor) must be arranged and continued for at least 30 days after employment, at which time the SAU worker assists the parent in obtaining Title XX or other day care services.

Alternatively, it may be determined that the registrant requires some preparation for employment. This, too, is to be set forth in an employment plan and the WIN counselor may make use of available funds to place the registrant in "work experience" (short-term and summer employment), on-the-job training (OJT) for which contracts can be developed with local employers who are required to permanently retain a percentage of WIN trainees, institutional training (classroom work), or, if more extensive training is deemed desirable, she may be "suspended" to another manpower program -- usually CETA.

A registrant who is deemed unemployable, at least in the short run, may be so classified and returned to the "unassigned registrant pool", and is to be reassessed periodically.

A WIN trainee is entitled to a $30 monthly training allowance for the duration of her training period; if she becomes a CETA trainee, she receives a $60 monthly allowance. As with all working AFDC recipients, trainees' work-related expenses and allowances are deducted from income for benefit computation purposes.

Within the group deemed "employable", priority must go first to unemployed fathers (in UP states); mothers who volunteer; mothers who are required to register; pregnant women under 19 years of age; and children and other relatives included in the AFDC payment who are more than 16 years of age and not employed, in school, or in any other training program. Any of these persons who refuse to accept employment or training has his/her share deducted from the family's AFDC grant. "Good cause" for refusal is only broadly defined. WIN placement and training services are 90% Federally funded by the Department of Labor and distributed to states on an allocation formula tied to state performance in placement and commensurate reduction in the size of AFDC grants. WIN supportive services funds are funded at a 90% rate by HEW.

2. State Options

States have some latitude in law with respect to WIN; however, the incentives incorporated in the Federal funding formulae, as noted above, constrain their actual alternatives. The legislation mandates a minimum of one-third of WIN expenditures to be made for OJT and PSE. Beyond this level, the amount of OJT, PSE, and other training/employment effort is largely conditioned by available funds and state/local assessments of the most cost-effective way to raise their placement performance.

The total funds available to a state for WIN services is determined by an HEW allocation formula similar to that used by the Labor Department. Within this allocation, the mix and level of services provided beyond the required day care is developed by the state. In addition, states have the option to provide day care for employed WIN recipients for up to 90 additional days.

Finally, states have been encouraged, but not mandated, by the Department of Labor to engage in WIN efforts to provide more lucrative employment for women in occupations in which women have not traditionally participated (e.g., construction trades).

3. State Variations

Within the national program parameters, the major variations between state WIN programs relate to relative "success" in the areas measured by Federal funding agencies (new WIN job entries and reduced AFDC grants), to the mix of preparation components (training, work experience, OJT, PSE, etc.) utilized, and to the range and level of supportive services provided.

Beyond the 1/3 funding allocation for OJT and PSE, states may vary the emphasis they place on the various WIN components: orientation, institutional training, work experience, OJT, PSE, and suspension to CETA or other training. While nationally more "active participants" receive orientation and "suspended" training and fewest engage in work experience and PSE, states vary considerably in their component services. Data on the first ten months of FY 1976[23/] reveal state ranges from 3% to 73% of participants receiving orientation, from 6% to 25% receiving institutional training, from .8% to 22% enrolled in work experience, from 5% to 37% in OJT, from .2% to 23% in PSE, and from 3.8% to 71% "suspended".

Social services provided to WIN participants include family planning, medical examinations, homemaker services, home management, housing improvement, transportation, remedial medical care or services, vocational rehabilitation and day care. Day care services were received by the largest number of participant families. Though data on incidence relative to total

number of WIN families are not available, in no state was day care not provided. Family planning services were also provided in all states, though only in ten states were they the most frequently used of the non-day care services. Though not provided in one state, home management appears to be the most utilized service after day care, while homemaker services are received by fewest participants. The difference is related to the sex of WIN participants; male WIN enrollees traditionally receive homemaker services, while female enrollees receive home management assistance.

4. Outcomes of WIN for the FHF/wc

In FY 1975, national program figures show that of over 839,000[24/] WIN registrants, women accounted for about 75%. Only 20.3% of all registrants entered employment, 69% of which were women. Two-thirds of all those who obtained jobs did so directly without the benefit of WIN training or experience components. While data on direct vs "indirect" placements by state are not available, overall state employment-to-registrant ratios range from a low of 10% of registrants to 51.9%. Twenty-one states had ratios below the national 20.3% figure. Of these low placement states, fifteen had unemployment rates above the national average, suggesting tighter job markets in general which may have hampered WIN placements. However, 42% of the high placement states also exhibited high unemployment rates. Nationally 74.8% of all registrants were mandatory, while state numbers of mandatory registrants ranged from 38.5% to 93.7%. The mix of mandatory and voluntary registrants was virtually identical in "high" and "low" placement states. Nationally over 60% of those entering employment were still on the job after 90 days, but of these only 46.5% (approximately 48,000) left welfare and were deregistered from WIN.

Occupational opportunities and wage rates vary with local and state conditions, as illustrated by the WIN program descriptions in the appended State Case Studies. However, national data reveal lower entry wages for female WIN participants ($2.42/hour compared to $2.94/hour for men) and their relative concentration in lower paying clerical, sales, service and benchwork jobs (e.g., male WIN job entrants accounted for 12.3% of clerical and sales jobs compared to 87.7% for women).

To summarize, the employment performance of WIN is relatively unimpressive overall, but there are clearly great differences in state ability to assist FHF/wc in obtaining gainful employment even when differences in local labor market conditions and the voluntary vs. mandatory character of WIN registrants (which is often used as measure of motivation) are taken into account. It is equally obvious that opportunities for training vary widely according to where the WIN registrant resides, but the continued concentration of female WIN participants in lower-paying, traditionally female jobs raises serious questions about the effectiveness of training efforts even in states which provide more opportunity. Finally, it should be noted that state effectiveness in helping WIN registrants to "work their way off welfare" is not necessarily to the advantage of the FHF/wc under the current system, when the difference in state AFDC eligibility levels and the loss of other benefits associated with AFDC are taken into account. This issue will be further addressed in Section II of this chapter.

H. CETA[25/]

The Comprehensive Employment and Training Act (CETA) was passed in December 1973 for the purpose of consolidating the various manpower development programs of the 60's and permitting localities to determine their own manpower training needs and priorities. The major components

are identified under three Titles of the Act: Title I provides for planning and operation of comprehensive manpower services including training, employment, counseling, testing and placement; Title II provides transitional public service employment (PSE) in areas with "substantial" (over 6.5%) unemployment; and Title VI provides a large temporary public service PSE program to counteract significant downturns in the economy. With the recent de-emphasis of training of female-headed families under the WIN program, CETA provides the major potential source of training for economic independence available to the FHF/wc. CETA is administered federally by the Department of Labor and these Titles are administered locally by designated Prime Sponsors.

1. Federal Requirements

States are encouraged to make CETA available statewide. Areas which are not covered by local Prime Sponsors are administered by a "balance-of-state" program within the state's Department of Labor or comparable agency.

CETA legislation mandates three broad target groups to be served by the program -- the unemployed, underemployed and disadvantaged; defines these groups nationally; and provides that any individual meeting the national definition is eligible to participate in CETA programs funded under the appropriate Title.* Federal requirements also specify special attention to veterans. Within these target populations, prime sponsors are encouraged to identify additional significant segments to receive

*Underemployed, eligible under Title I, include those seeking full-time work and those whose salaries are below the poverty level adjusted for family size. Unemployed, eligible under Title II, are defined as underemployed or unemployed for at least 30 days, living in areas of substantial unemployment. Title VI eligibility covers those underemployed or unemployed for at least 30 days.

services, to set priorities among target groups, and to design various programs for different groups in response to local circumstances.

Prime sponsors are required to develop comprehensive program plans that establish goals and objectives reflective of local needs and priorities and meet performance reporting requirements. Failure to fulfill their own plans is reviewed and analyzed by the Labor Department; failure to implement corrective action with Department assistance may result in delayed funding in the next fiscal year. In developing prime sponsor CETA plans, the legislation requires the involvement of a local planning council including representation from client groups, the community, the public employment service, training institutions, business, etc. No percentage representation requirements are specified.

State governors receive special grants of 10% of Title I funds, of which 5% is for vocational training, 4% is discretionary for coordination and state-wide services, and 1% is to support required state manpower services councils. Of the $3,225 million appropriated for CETA in FY 1975, 49% was allocated through Title I, 24% through Title II, and 27% through Title VI. (In FY 76 the mix was Title I 44%, Title II 11%, and Title VI 45%.) All funds are distributed to prime sponsors on formulae bases, with 6% (Title I), 20% (Title II), and 10% (Title VI) allocated at the discretion of the Secretary of Labor. The allocations for Title I are based 50% on previous year allocation, 37.5% on the numbers of unemployed and 12.5% on the number of low income families in the prime sponsor's area. Title II funds are allocated based on the numbers of unemployed in areas of substantial unemployment (ASU's). Allocation of Title VI funds is determined by a formula incorporating number of unemployed in the jurisdiction (50%), unemployed in the ASU (25%), and unemployed in excess of a 4.5% unemployment rate (25%).

2. Local Options

Prime sponsors are responsible for the development of the range of training and service options that will be available in an area. These include the mix and specific types of classroom training, on-the-job training (OJT), PSE, work experience (WE), and support services to be provided. Prior to the start of the year, they also designate, in the local CETA plan, the prime sponsor significant segments, or priority groups, for training and services and the configuration of components in each area. For example, heads of households or public assistance recipients have been identified as significant segments in some areas and planned numbers of enrollees from these groups specified.

Prime sponsors also have the option to provide the training and service components directly or to contract them out to locally chosen providers through sub-grants. Finally, there are additional options for limited transfer of funds between Titles within a prime sponsor's total CETA grant.

3. Local Variation

The program design of decategorized block grants and decentralized decision making, and the very short history of CETA limit the amount and depth of available program data. In the appended State Case Studies, the identified significant segments, types and results of training, and service provisions are reviewed for three states, with particular reference to the FHF/wc. While these results cannot be considered a representative sample, the data suggest that segments described as heads of households frequently include more males than females, and in those few prime sponsor areas that identify women as a target group, single women are typically the major share of participants. Though WIN increasingly aims to "suspend" women to CETA for training, CETA records frequently do not identify participants as AFDC recipients or WIN referrals, making the level of service to this group difficult to ascertain.

4. CETA Services to the FHF/wc

National data for FY 75, the first year of the CETA program, indicate that total funding for Titles I, II and VI was $3.2 billion, with an enrollment of 658,000 individuals. The expenditures and proportional enrollments under each Title were as follows:*

	% of $	Title I % of Enrollments	Title II % of Enrollments	Title VI % of Enrollments
Classromm Training	31%	25.9%	1.7%	.2%
OJT	8%	6.5%	.9%	.2%
PSE	7%	2.6%	94.1%	76.8%
WE	43%	49.7%	2.9%	22.7%
Services	10%			
Other Activities	1%	7.7%	.3%	

Female participants comprised less than 50% of those served under all Titles, being most heavily represented under Title I (45.6%) and accounting for only 29.8% of Title VI participants. Women had accounted for 42.3% of program participants in the prior categorical programs which CETA replaced.

*FY 1976 data were not available during the conduct of the study. Therefore, only FY 1975 results are included here. However, these should be viewed with some caution as they reflect the first year of program operation and may differ significantly from the most recent experience.

One performance measure used by CETA assesses participant terminations as positive or non-positive. In FY 1975, 70.9% of all terminations were positive, of which 30.7% were occasioned by job placements (a 10% greater placement rate than that of the WIN program). Of these placements, 31.7% were direct placement after receiving only intake, assessment or referral from CETA. By contrast, under WIN, 66.5% of job placements were "direct", reflecting the latter program's de-emphasis on training and CETA's greater involvement with it.

To summarize, national CETA program data do not permit an assessment of the program's effectiveness for the FHF/wc; although there is no nationwide estimate or definition of total FHF/wc need for training, the fact that less than 300,000 women were served in the first program year suggests that CETA is unlikely to significantly affect the economic prospects of the FHF/wc population in the foreseeable future.

I. Summary

The preceding description of different Federal program requirements, state variations, and actual services to the FHF/wc does not begin to adequately convey the variety of combinations of program requirements and benefits in the 50 states and U.S. territories; however, the point should by now be clear that FHFs/wc with equal circumstances and needs will not be served equally from one state to another, with the sole exception of the Food Stamp program.

Overall, the programs fail to maintain data on the FHF/wc, which in itself suggests an absence of appropriate concern for the delivery of program benefits and services to this most needy group, and makes conclusive

statements about the relative adequacy of coverage of this population difficult. On balance, however, this review suggests that, adequacy of level of benefits aside, the low-income FHF/wc benefits more than male-headed families from the basic life support programs, as seen in AFDC, Medicaid, Food Stamps, and Public Housing. With respect to the first two programs, the law favors the FHF/wc; with respect to the latter, she has more access by virtue of both her legal entitlement to Food Stamps and her poverty.

On the other hand, when it comes to provision for the long term economic independence of the FHF/wc, the essential supportive service -- child care -- is meagerely supported by direct Federal funds under Title XX and is of limited duration under WIN (though these expenditures may be augmented by state funds). The adequacy or availability of good child care which is made possible by the child care income disregard provisions of AFDC could not be ascertained. To the extent that training is needed for employment at a living wage, the system short-changes the FHF/wc by channeling her primarily through the WIN program, which has been increasingly forced to reduce its training efforts in favor of direct placement in jobs for which women are most likely to be prepared -- the women's ghetto of low-paid clerical and service work. Only a small portion of FHF/wc (as best the data can be interpreted) ever get to the CETA program, where a wider range of training opportunities are currently encouraged.

Before reaching conclusions about the impact of current programs on the FHF/wc, however, there are other aspects of the system which have serious implications and which are explored in the following two sections.

II. SYSTEMIC INEQUITIES BETWEEN GROUPS OF FEMALE HEADED FAMILIES WITH CHILDREN AND THE PENALTIES OF INDEPENDENCE FOR ALL

In the preceding section, the enormous actual and potential variation in eligibility, benefit levels, and access to programs across different states and localities was described. In this section, a very different and equally serious set of problems inherent in current program structure is explored, namely that:

- The current system discriminates against FHF/wc who are already attempting to support themselves at the time they seek assistance; and
- Program eligibility criteria actually penalize many FHFs/wc in their attempts to achieve economic independence by reducing some benefits at a rate faster than earnings increase.

Each of these issues is discussed below.

A. Inequities Between Working FHF/wc

The basic inequity between working FHFs/wc is contained in the mandatory treatment of earned income disregards under the AFDC program.[26/] The distinction is very simple: if Ms. A is employed and applies for AFDC cash assistance, her entire earnings, minus the state's allowance for work-related expenses and child care, are included as income upon which eligibility is based. If her countable income exceeds the state standard of need, she will be ineligible for assistance. If Ms. B, who is otherwise in identical circumstances as Ms. A, were not working

at the time she applied for and receiving AFDC and then later became employed -- whether through WIN, CETA or on her own -- the first $30 of her gross earnings plus 1/3 of the remainder would be disregarded in computing her benefit. She would also receive the work related expense and child care disregard. As a result of this "work incentive" provision, Ms. B will remain eligible for AFDC while earning as much or more than Ms. A, who receives no AFDC grant. An example of this inequity is shown in Table 2.

As this example reveals, if Ms. A had never attempted to work in the first place, she would have had as much disposable income from the basic welfare grant as she gained from working, because none of her earnings other than work related expenses were disregarded in determining eligibility. Ms. B, who did not go to work until after becoming an AFDC recipient or who quit her job before filing for AFDC, gets $195 more in disposable income than does Ms. A, who actually earns the same, simply because of the $30 + 1/3 disregard of her earnings which was applied to computation of her benefit.

In addition, as AFDC recipients, Ms. B's family are automatically eligible for Medicaid services, Food Stamps, and Title XX services. Depending upon the size of their families, both Ms. A and Ms. B may be eligible for Food Stamps -- though Ms. B would be automatically eligible while Ms. A must apply separately. Both may have an opportunity for public housing or rent supplements, with each paying the same proportion of her income in rent. Ms. A's eligibility for Title XX social services would depend upon the income criteria established in her state.

TABLE 2

INEQUITIES IN AFDC ELIGIBILITY BENEFITS ACCORDING TO EMPLOYMENT STATUS
(Example State Need/Payment Standard = $400)

Ms. A (Employed at time of application)		Ms. B (Unemployed at time of application)		Ms. B (Becomes employed after enrollment in AFDC)	
Gross earnings =	$525	Gross income =	$0	Gross earnings =	$525
- work expenses	25	- work expenses	0	- work incentive	30
	$500	- child care	0		$495
- child care	100	Net Income	0	- 1/3 work incen.	165
Net Income	$400				$330
Full standard =	$400	Full Standard =	$400	- work expenses	25
- net income	400	- net income	0		$305
Deficit	0 (Ineligible)	Deficit	400	- child care	100
				Net Income	$205
Grant	0	Grant	$400		
				Full standard =	$400
Total disposable income (gross earnings minus expenses, no grant)		Total disposable income (grant only)		- net income	205
				Deficit	$195
				Grant	$195
	$400		$400		
				Total disposable income (Gross earnings minus expenses + grant)	
					$595

Thus, Ms. B is able to retain a relatively higher income than Ms. A and, in addition, would have had access to WIN training and social services and perhaps CETA training as well.

AFDC benefits for Ms. B's family will decrease as her earnings increase, until countable earnings equal the state standard of need, at which point her family will no longer be eligible for AFDC. Again, since Ms. A did not get a $30 + 1/3 disregard of her earnings in determining eligibility, she was ineligible at an actual income level of $525 per month, while Ms. B can earn up to $817 per month before her "countable" income reaches the state maximum of $400. The moral of this story is inescapable: Ms. A should have quit her job, gone on "welfare", and then returned to work to obtain greater income.

This inequitable feature of our current system has long been recognized by policy makers at all levels, but strong arguments have been made to the effect that provision of equal eligibility and benefits to working poor FHFs/wc with equal earnings (not to mention extending such benefits to two-parent working poor families) would be too costly.

B. The Penalties of Independence

The inequitable "work incentive" provision discussed above certainly penalizes the woman who makes every effort to retain some independence before applying for "welfare". However, all AFDC families will suffer a loss in their standard of living as soon as they leave the AFDC rolls and are likely to continue to lose ground if their incomes rise much further due to the loss of other benefits to which, as AFDC recipients, they are entitled or have priority.[27/]

First, if they do not live in a state which provides Medicaid coverage for the medically needy, loss of AFDC eligibility means immediate loss of all Medicaid coverage. If they do live in a state with a medically needy program, they are likely to have fewer benefits available to them, to be required to make co-payments on services which formerly were free, and will be required to spend all or a large portion of their income above the AFDC standard on their medical bills before they can receive any free coverage, thereby wiping out a significant portion of their economic gains.

This linkage between AFDC and Medicaid eligibility constitutes the most severe penalty against those seeking economic independence because it is an abrupt and virtually total loss of a potentially extremely costly in-kind benefit.

However, there are other penalties, depending on the particular eligibility requirements of the state's other programs, for trying to "work off the welfare rolls". These include loss of eligibility for Title XX child care services in states which serve only AFDC-eligible families and loss of low-rent public housing if the upper income limit does not far exceed the state AFDC standard of need. In addition, Food Stamp purchase requirements rise roughly $3.00 for every additional $10.00 earned, so that a family of four with slightly over $6,000 in income after Food Stamp program income disregards will become ineligible for this form of assistance, unless the family lives in a state with a high AFDC standard, in which it may still be eligible for Food Stamps even at this income level. Such WIN training opportunities as may exist are not available to the non-AFDC recipient, and the limited information on CETA training opportunities suggest that

the employed FHF/wc whose earnings are above the AFDC level is unlikely to receive priority for services or Public Service Employment which might further augment her income or long-term opportunities.

While the above analysis suggests that there are economic incentives to the female head of family to keep her earnings within the range that allows her to stay on AFDC and receive the auxillary in-kind benefits, this problem is more apparent than real. It is still true that many FHFs/wc who are on AFDC and who receive all of the in-kind benefits still do not have income and resources that put them above the poverty level, even when they work. This is not true in all cases and especially not true in relatively high payment AFDC states, but in low and moderate payment states, it is highly likely that they will remain below established poverty standards. Further, as has been documented by site visits in the course of this study, the complicated process of obtaining all of the benefits to which a family might be eligible further mitigates against the multiple benefit receipt which some analysts claim provides the FHF/wc with a more than adequate standard of living. Receipt of the full constellation of benefits to which a FHF/wc might be eligible is a matter of circumstance and is not built into a rational system that meets human needs in a comprehensive and coordinated manner. This problem is further discussed in the following section.

III. PROGRAM COMPLEXITY AND INVASION OF PRIVACY

All of the preceding discussion suggests that the current system of programs must be virtually incomprehensible to the average citizen; it must be even more mystifying to a woman who is trying to support herself and her children, particularly if her poverty is complicated by a lack of education and job seeking skills.

She is not confronted with only one impersonal bureaucratic system through which she must attempt to meet her needs, but often with five or six separate systems. In each case, she is obliged to fill out complicated eligibility forms which ask personal questions about income, assets, living arrangements and family situation. She is subject to investigations and verifications which often tread on her privacy. If she applies for AFDC, she must identify the father of her children, agree to cooperate in the search for him and in efforts to secure support payments for her children.* She is subject to the stigma that accompanies receipt of welfare and classification as a "broken family". If her children are over six, she is forced to register for employment services at another agency, an action which in reality offers little chance for producing a training program or a job. If she needs child care she must talk to a separate social service worker and again explain her family situation. Whether she wants it or not, she is probably counseled about the advantages of birth control and family planning. If she needs housing, she must make separate application at a public housing authority and fill out around round of forms. If she managers to find out about or is referred

*In all fairness, it should be noted that any mother who wants and needs assistance in locating an absent spouse for purposes of obtaining child support will be helped by the Title IV-D Parent Locator Program. Thus, the invasion of privacy aspects of this provision may be balanced to some extent by the legal assistance it offers to those who seek it.

to a local CETA program she is most probably faced with another set of forms and interviews. If she wants Food Stamps, she must apply, find the outlet and purchase her stamps at a specified time.

In summary, the process of obtaining the benefits to which she might be entitled will in all likehood consume major portions of her time and a great deal of physical and psychic energy. Given the obvious overlaps between the programs both in terms of objectives and potential target population, there should be a better way of providing services that is less confusing, less complex, and less intrusive on the privacy of the individual seeking help. Because of the process, or lack of systematic process, many people who are eligible for and need assistance do not receive it and the evidence suggests many FHFs/wc are denied access to benefits which would enable them to meet their current economic needs as well as move toward eventual economic independence.

IV. CONCLUSIONS

This review of the eight major Federal programs designed to serve the poor, including the simple facts of current program structure and interrelationships, state variations, and program performance data with respect to the FHF/wc, leads to five major conclusions, stated as follows:

- Overall, different programs treat FHFs/wc and men unequally, with women more likely to receive basic life support assistance and men more likely to be afforded training opportunities leading to higher income jobs.
- FHFs/wc with similar needs receive dissimilar benefits, depending on the state and locality in which they live.
- The linkages between AFDC and Medicaid constitute a disincentive to increase earnings. Variations in state and local eligibility requirements for other programs also result in severe financial penalties for seeking independence in some states.
- Those who work and then seek aid are disadvantaged compared to those who obtain financial aid and then attempt to work at the same level of earnings.
- The administrative complexity and intrusiveness of the current Federal strategy towards poor families deprives eligible FHFs/wc of benefits and deprives recipient families of the privacy enjoyed by other citizens.

On balance, the Federal strategy toward the poor family encourages dependency and discourages or even punishes efforts to achieve independence; at the same time, the price of dependency on the system is the sacrifice of privacy and personal dignity. The current system is needlessly burdensome and inequitable to the taxpayer, administrators, and FHF/wc alike.

These conclusions are harsh, but they are directed at a total strategy which has developed piece-meal over the last 40 years rather than at any particular program or its administrators. These conclusions are also based on incomplete data and on published program descriptions which, however detailed, cannot fully reflect the variety of problems -- or successes -- which are the reality of day to day program operation at the state and local level. Therefore, program operations at the state and local level were examined to refine understanding of the system and test these conclusions against actual observation. The results of this effort are reported in the following chapter.

CHAPTER FOUR

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CHAPTER FIVE

THREE CASE STUDIES: PROGRAM REALITY AT THE STATE AND LOCAL LEVEL

INTRODUCTION

In the previous chapter, five major conclusions regarding the impact of the Federal strategy toward the poor family on the FHF/wc were developed based upon review of current program structure and performance data. However, the wide variety of state or local program options available under these programs and the common assumption that actual implementation of programs of any type may differ from published Federal requirements necessitated that these conclusions be tested by direct observation at the state and local level. In addition, the unavailability or incompleteness of data on several programs at the national level argued for examination of state and local program data.

Finally, those state and local administrators who are responsible for the day-to-day delivery of services are uniquely qualified to comment on what is wrong and what is right with the Federal programs, and why their states have selected options which appear to be generous or restrictive toward the FHF/wc.

Therefore, three states and one city within each state were selected for site visits. This chapter discusses:

- The state selection process
- The development of the survey instruments
- Implications of these case studies for the conclusions stated in Chapter Four.

Program organization, options, benefit levels, procedures and outcomes at the state and local level for each state and administrators' views of program problems are reported in detail in the Appendix.

I. STATE SELECTION PROCESS

The number of states and cities to be selected was determined largely by time and cost considerations. While a variety of variables could usefully have been applied as selection criteria -- e.g., ethnic mix, relative number of FHFs/wc, nature of the state's economic base -- the necessary restriction of the study to three states could not systematically incorporate all the variables of interest. It was therefore determined to select states on the basis of their behavior with respect to choices of program options for the two basic "welfare" programs -- AFDC and Medicaid -- both of which permit extensive state variation and for which some reasonably current state-by-state data were available.

The specific criteria included:

- Percentage of AFDC need standard paid
- Average AFDC grant per family
- Average Medicaid payment per AFDC family
- Whether or not the state provided for Medicaid coverage of the medically needy.

States were divided into high, medium and low classes with respect to AFDC and Medicaid payment variables. Of those states which were consistently high, medium or low on each measure, one was selected from each group. The high and medium states also offered coverage of the medically needy and the low state did not. The three states selected are from different geographic regions of the country and selected cities within each state were either state capitals or the largest population center.

In order to honor confidentiality and avoid undue focus on the particular political history and reputation of each state, they will be identified only as States A, B and C.* Their characteristics on the selection criteria are shown below.

	% AFDC Payment Standard Met	Rank Over All States in Avg. AFDC Grant	Rank Over All States in Avg. Medicaid Payment Per Recipient	Coverage of Medically Needy
State A	High	High	High	Yes
State B	Medium	Medium	Medium	Yes
State C	Low	Low	Low	No
	Range = 50 - 100%	Range = $275-95	Range = $393 - 800	

SOURCE: U.S. Congress, Subcommittee on Fiscal Policy, Joint Economic Committee. "Handbook of Public Income Transfer Programs, 1975", Studies in Public Welfare, Paper No. 20, Washington, D.C.: Government Printing Office, December, 1974.

U.S. Congress, House of Representatives, Subcommittee on Health and the Environment Committee of Interstate and Foreign Commerce. Data on the Medicaid Program: Eligibility, Services, Expenditures, Fiscal Years 1966-76. Washington, D.C.: Government Printing Office, January, 1976.

In order to obtain additional perspectives and information about the state's programs before going to each state, the study team visited each Federal Regional Office in whose region each state was located.

*Consistent with this decision, it is not possible to cite the specific sources of program descriptions, data, and administrator views. All of the information contained in this chapter is drawn from interviews with agency staff, official state publications, and published and unpublished state and local statistics. Interpretations and conclusions regarding state and local implementation of the Federal programs are the responsibility of the authors unless attributed to an agency official.

II. DEVELOPMENT OF THE SURVEY INSTRUMENTS

Federal regional officials were asked for general background information about problems in the states to be visited for the purpose of facilitating the state and local site visits.

Development of the questions to be asked and data to be obtained for each state and locality paralleled the program descriptions and data elements in the preceding chapter. Specifically, the agency with primary authority for each program (state-level agencies for AFDC, Medicaid, Title XX, Food Stamps, WIN; area agencies for CETA and public housing) were asked to describe their programs with respect to the design options chosen, eligibility and benefit levels, and organizational interrelationships with other programs. More importantly, they were asked why particular options, benefits, and organizational arrangements were chosen to reveal unique state and local circumstances and views of the FHF/wc associated with different choices. These officials were then asked for data on benefits and services to the FHF/wc so that the relative adequacy or inadequacy of benefits to this population in different states/areas could be related to the conclusions based on the review in Chapter Four.

Finally, agency officials were asked for their own views on program adequacy and effectiveness for the FHF/wc, the major barriers, if any, to more effective programs, and the type of changes they thought would be beneficial to their programs. This information was intended to increase overall understanding of the climate for change and the types of change likely to be supported.

The staff at the operating level of each program (e.g., county welfare department workers) were asked many of the same questions as were addressed to policy-level officials for the purpose of assessing the level of common understanding of program policy from one level to the next and for obtaining the policy views of those who are truly most intimately involved with the day-to-day consequences of policy choices.

More effort at this level, however, was devoted to "walking through" the details of program intake and benefit delivery procedures in order to assess the full impact of what dependence on the system involves for the FHF/wc. Benefit statistics for FHFs/wc at the local level were also obtained for comparison with national data and the major conclusions of the report.

Finally, the basic interview guides for each program at the state and local level were tailored to the particular state/area being visited. To the extent possible, program information available at the Federal level was obtained in advance so that questions could be more sharply focused. When no detailed data were available at the Federal level, a data request was submitted to the appropriate Federal Regional Office. A sample of the interview guides and data requests is available upon request from SACRRW.

A study team composed of at least one member of the SACRRW sub-committee on Social Services and Welfare and one member from Lewin and Associates, Inc., conducted the site visits in the summer of 1976. The results of this effort are summarized in the following section.

III. STATE AND LOCAL PROGRAM PRACTICE: IMPLICATIONS FOR THE CONCLUSIONS

The detailed information obtained from the states, as detailed in the Appendix, confirmed the five major conclusions stated earlier with the following amplifications.

Conclusion 1: Overall, different programs treat FHFs/wc and single men or male-headed families unequally, with FHFs/wc more likely to receive basic life support assistance and men more likely to be afforded training opportunities leading to higher income jobs.

With respect to basic life-support assistance, it is obvious that State C -- which provides no AFDC-UP or medically needy Medicaid coverage -- offers opportunity for basic life-support benefits almost exclusively to FHFs/wc, compared to States A and B, both of which offer such coverage to other poor families.

In addition, however, the site visits highlighted the fact that Federal requirements do not permit disregard of $30 + 1/3 of remaining earnings in determination of benefits to AFDC-UP (two-parent) families, which constitutes a systematic discrimination in favor of the FHF/wc. Perhaps as a result of this requirement, participation of UP families in AFDC in States A and B was quite low compared to that of FHFs/wc. In all three states and cities, utilization of other basic benefits was greater among AFDC and other low-income FHFs/wc than among men or two-parent families.

In the case of housing and Food Stamps, these differences in utilization reflect greater demand by FHFs/wc due to lower incomes rather than any Federal, state, or local restrictions per se. Thus, it is most clearly in the area of income support and health care that FHFs/wc are more likely than others to receive benefits as a result of Federal, state, and local actions.

The site visits strongly supported the conclusion that men, whatever their family status, are most likely to receive training and employment opportunities leading to long-term economic independence. First, it is difficult for most FHFs/wc to be accepted as "active participants" under WIN or as participants in CETA, in large part because program administrators prefer -- quite realistically -- to invest their scarce training resources in those who are most likely to be successful and for which the state/local agency will be in some way rewarded by the Federal government.

In all WIN programs visited, the women seen as most likely to succeed are young, have high school-level education, prior work experience, and no more than one or two children. The remaining FHFs/wc, whether mandatory or voluntary, are most likely to be consigned to the "unassigned registrant" pool or pressed to take available low-paid jobs. Among CETA programs the same views are held, although a first-come, first-served policy in City B assures the FHF/wc of some CETA services -- if she is aware of the program -- and FHFs/wc are guaranteed some opportunities as a significant segment in City A. However, the mass of FHFs/wc are "served" by WIN rather than CETA due to Federal program design coupled with variations in CETA Prime Sponsor priorities and lower funding levels.

Perhaps even more significant than differential access to training is the fact that those FHFs/wc who are accepted for training by WIN or CETA consistently receive preparation for lower-paying jobs than is the case with male trainees, who are also more likely to obtain Public Service Employment intended to lead to permanent civil service positions. Officials from both programs at every site reported a reluctance on the part of low-income FHFs/wc to attempt non-traditional occupations, but little had been done to help women understand the implications of their training and job choices. As a result, even in City A -- whose CETA program was most explicitly concerned with the FHF/wc -- disparities in occupation and earnings between male and female employed WIN/CETA participants continued to follow the national patterns reported in Chapter Four.

Conclusion 2: FHFs/wc with similar needs receive dissimilar benefits depending on the state and locality in which they live.

The state selection process included states with different program benefit levels, thus automatically supporting this conclusion. The benefit of the site visits in this case was what was learned about the reasons for such disparities at the state and local level.

What was most striking about state differences in AFDC benefits and eligibility requirements was their arbitrary nature. In no case was the state standard of need based upon an analysis of what level of income a family needed to achieve a minimal decent standard of living; rather, eligibility and benefits were based on what states were willing or able to pay in state matching funds.

The same was true of state Medicaid eligibility and benefit decisions. Administrators in the lower payment states freely acknowledged that their AFDC and Medicaid benefits were insufficient and that Food Stamps -- fully Federally financed -- had to be relied upon to make up the difference. The linkage between AFDC and Medicaid eligibility was particularly problematic in the lowest-payment state, in that earmarked funds which could be used to increase AFDC benefits could not be used to expand eligibility for AFDC because this would automatically increase the Medicaid caseload, for which the state legislature would not appropriate funds.

State and area differences in availability of Title XX child care were found to relate most of all to funding limitations; beyond this, however, states felt that their own needs assessment and planning processes were inadequate and somewhat arbitrary and felt the need for technical assistance in this area.

With respect to WIN, no outstanding differences were noted. CETA services to the FHF/wc, on the other hand, could be traced to differences in the priority planning process and the extent to which women had organized to press their claims. FHFs/wc had only made demands of CETA in one city, reflecting perhaps the overall lack of time and skill in organization of the low-income FHF/wc population. Both the CETA and Title XX devolution of program design decisions to the state/local level appear on balance to work against the interests of unorganized and overburdened populations such as the FHF/wc, as both programs require considerable effort and sophistication to ensure that a group's needs receive priority.

Low-rent public housing eligibility and benefits were not found to vary a great deal from one place to another, in no small part because of their independence of state funding requirements. However, PHAs in each instance were financially burdened by a legacy of unsuitable older housing projects, a shortage of adequate units, and were under pressure from HUD to reduce the number of very low-income families.

Conclusion 3: The linkage between AFDC and Medicaid in itself constitutes a disincentive to increase earnings. Variations in state and local eligibility requirements for other programs also result in severe penalties for seeking independence in some states.

Loss of AFDC benefits in the state without coverage of the medically needy represents almost total loss of health care. However, FHF/wc earnings tend to be so low that the likelihood of "working off welfare" is small, and no state or area visited reported any substantial number of cases in which AFDC recipients had deliberately curtailed their earnings in order to retain their AFDC and Medicaid benefits.

On the other hand, welfare department workers in State C were very careful to point out the implications of the AFDC-Medicaid link to clients, due to concern for their well-being, and thus may have stimulated some client caution with respect to earnings.

There was a real threat of loss of child care under Title XX in States B and C if income increased to a level much beyond poverty, due to the low percentage of state median income eligibility levels,

but again program staff did not see evidence of calculated reduced work effort on the part of recipients. Since Food Stamp and public housing eligibility levels are relatively high, and PHAs provide for even higher levels for residents whose incomes rise, there was no reported disincentive effect on earnings due to these programs in the areas visited.

In any event, getting "off welfare" was more often the result of change in family circumstances or non-income related eligibility criteria than of increased earnings in every state and city surveyed.

This third conclusion remains true in theory; even small increases in earnings could be disastrous in the state which provided no medically needy coverage, and in each state an annual income of slightly more than $3,000 above the poverty line for a family of four would cancel almost all program benefits to the FHF/wc. Loss of the annual value of subsidized housing, the bonus value of Food Stamps, Medicaid coverage, and Title XX child care (or the costs of care through AFDC income disregards) for a family of four could easily account for all of the increased earnings of such a family in each state, while actual expenditures for these goods and services in the private market would be greater. Perhaps these "disincentives" for earnings would have more apparent effect if jobs paying $8,000 per year or more were readily available to the low-income FHF/wc.

Conclusion 4: Those "work incentive" provisions of the AFDC program discriminate against those who work and then seek aid compared to those who obtain financial aid and then attempt to work.

States and cities visited were unable to provide estimates of the number of cases in which a FHF/wc was found ineligible because of her earnings compared to the number of AFDC recipients who later achieved equal earnings but remained eligible for assistance because of the $30 + 1/3 earned income disregard in the benefit computation process. However, this provision was widely viewed as extremely unfair, and welfare workers opposed the WIN III requirement that applicants be directly placed in jobs, if at all possible, prior to final determination of eligibility. This provision, as noted earlier, could have the effect of rendering a FHF/wc ineligible for assistance at a state's low income eligibility level, whereas she could receive the same earnings plus an AFDC grant and linked benefits if she became employed after enrollment in AFDC. Indeed, welfare department workers took some pains to point out these implications to applicants, and WIN workers in some cases made very little effort to implement the regulation in order to protect clients.

Conclusion 5: The administrative complexity and intrusiveness of the system deprives eligible families of benefits and deprives recipient families of the privacy enjoyed by other citizens.

The complexity of eligibility determination, benefit computation, and delivery of program benefits found in all sites visited was truly mind-boggling. Only inspection of the appended state reports can convey the full impact of the number of forms which must be completed for each of the programs examined, the different income and assets criteria for the programs, and the differences in benefit computation procedures. Some states and areas had managed to reduce the complexity somewhat through

computerized records, co-location of services, or streamlined organizational arrangements (e.g., in State C all CETA intake was handled by the Employment Service, which was also responsible for WIN, thus reducing interviewing and testing of a single applicant by half). In addition, front-line service workers in all programs valiantly tried to explain to applicants what information was needed and why and to assist them in making appointments with other program offices, etc. Even so, AFDC applicants rarely were able to get their applications completed in fewer than two trips to the welfare office. While Medicaid eligibility could be determined easily for AFDC applicants, separate visits with other officials were typically required for completion of Food Stamp eligibility, admission to public housing, determination of social service needs, WIN evaluation, etc.

. Finally, there is no system other than the Food Stamp outreach effort to inform people of program eligibility. Therefore, AFDC recipients are more likely to be made aware of their eligibility for Food Stamps, Title XX, and Medicaid than non-AFDC recipients who are eligible.

State and local officials frequently expressed the view that "advertising welfare" would not be well received by their state legislatures and taxpayers, so they could do little to ensure that all eligible families were made aware of program benefits.

Program staff at both the state and local level expressed great resentment at the complexity imposed by Federal regulations and Quality Control efforts, both because of the burden on themselves and on their needy clients.

With respect to intrusive invasions of privacy, every program (excluding WIN and CETA) technically required extensive verification of client income, assets, and marital status. Such verifications involve program staff in contacting the applicant's employer, bank, neighbors, landlord, etc., as well as verifying data from vital statistics agencies. A home visit is required for AFDC eligibility determination, and the entire process must be repeated periodically for redetermination of eligibility and benefit levels.

The intrusiveness of the programs is clear, though there is no way of estimating how many families reject benefits in favor of privacy. Though some cases were cited, by-and-large FHFs/wc have no alternative but to go along with whatever the programs demand. In reality the system is softened somewhat at the state and local level by worker efforts to reduce intrusiveness and complexity while still meeting Federal and state requirements. With respect to the IV-D Parent Locator Program in particular, front-line workers believed that the savings which could possibly be obtained did not warrant the degree of invasion of privacy involved.

Administrators at the state and local level were virtually unanimous in their dissatisfaction with the present system, which they perceived as unfair, inadequate, and burdensome to themselves and to their needy clients, thus lending support to the conclusions developed through the review of program structure and data in Chapter Four. Most, however, had few positive alternative recommendations for system change, focusing instead on the general need to increase Federal funding and decrease Federal interference in program design and operation.

The site visits yielded an additional tentative conclusion which is of great relevance to the issue of meeting the economic independence needs of the FHF/wc, namely:

Conclusion 6: The unavailability of acceptable, affordable child care does not appear to constitute a significant barrier to employment of the low-income FHF/wc.

There has been much argument but little evidence in recent years to the effect that mothers of young (0-13) children are prevented from working by the absence of acceptable, affordable child care or, alternatively, that low-income working mothers are forced to leave their children in inadequate or damaging care.

These arguments are rendered more complex by widespread disagreement among professionals and organized child care advocates as to what constitutes "acceptable" care settings (in-home, group day care home, day care center) and content (safe supervision and play vs formal educational curriculum).

Observations drawn from a three-state, three-city survey are certainly not sufficient to resolve the issue. However, it is worth noting that city-level social workers in all cases reported that AFDC mothers eligible for Title XX care and WIN mothers most often chose or requested that their child or children stay with a relative or someone in the neighborhood (who might care for a small group of children in her home). Very frequently, the mother had already identified such a caregiver and all states apparently conscientiously investigated to be sure that the chosen caregiver was healthy and otherwise suitable to care for young children.

Workers reported little difficulty in locating this type of care for mothers who had not obtained it for themselves and costs were relatively low. (Indeed, costs were frequently only the minimum wage, which is certainly disadvantageous to the caregivers.)

Employed AFDC mothers who had made their own arrangements and who could use the cost of care disregard from income very frequently used a friend or relative whose services were free or nearly so.

The mothers who preferred day care centers tended to be the relatively more affluent Income Eligibles under Title XX. No significant problems were reported by states in obtaining centers from which to purchase care.

It may be concluded that the supply of care of the type preferred by low-income FHFs/wc is fairly adequate. This is consistent with more extensive analyses of the demand for child care. Child care is also affordable for those who are AFDC or Title XX recipients. There is obviously a potential financial problem for non-AFDC mothers who are not Income Eligible under state Title XX plans, but whose incomes are not sufficient to take advantage of the child care Federal Income Tax deduction. This is not a problem to be lightly cast aside, but could be substantially solved by more adequate Title XX funding. What these observations do suggest is that a massive new Federal child day care center program is not an urgent priority for the low-income FHF/wc.

CHAPTER SIX

PRINCIPLES FOR WELFARE REFORM, ANALYSIS ALTERNATIVES AND RECOMMENDATIONS FOR SHORT-TERM ACTION

INTRODUCTION

This Report has described and analyzed in some detail the impact of major Federal programs on meeting the current life-support and long-term economic independence needs of a specific group of the poor: the female-headed family with children.

There can be little doubt that the current Federal strategy for meeting the needs of poor families has failed in many important respects to meet adequately the current life-support and long-term independence needs of the female-headed family with children; but it is important to note that two-parent families who are unable to achieve economic independence are typically denied access even to many of the inadequate, inequitable, and complex programs available to the FHF/wc. In addition, although this issue was not directly addressed in the Report, non-disabled, single persons who have been excluded from the mainstream of the economy are also excluded from income support and most service benefits available to families with young children.

Even though the data already presented in this Report show that FHFs/wc are the most economically needy of all groups in the population, it is difficult to argue that they should be singled out for Federal assistance as is now largely the case; first, it is inherently unfair and offensive to the American sense of justice that those in equal need

be treated unequally by their government; second -- a more practical consideration -- the more it is generally recognized that FHFs/wc comprise the major recipients of "welfare", the more these needy families may be singled out for public resentment, hostility, and demands for more restrictive programs.

Therefore, rather than advocating reform of the current Federal strategy to better serve the low-income female-headed family with children, the documented inadequacies of the present Federal effort should be used to guide the development of principles for more general reform of the "welfare system". Five such principles, which also represent a consensus of others who have addressed the issue of Federal programs for the poor, are set forth below.

I. PRINCIPLES FOR REFORM

- Program benefits should be based on a defined standard of need for the benefit and not on the social characteristics (category) of the needy and their eligibility for other benefits. (For example, in 24 states only single-parent families may receive AFDC and only those who receive AFDC may receive Medicaid services, etc.).

- Eligibility and benefit criteria and type of benefits should be equitable (though not necessarily equal) from one state to another unless it can be convincingly demonstrated that local circumstances vary so much that substantial differences are justified.

- "Work incentives", whether in the form of income disregarded from cash benefit computations or some other method, should apply equally to all low-income persons with equal per capita earnings.

- Administrative complexity of programs for the poor must be reduced.

- Programs should avoid invading the privacy rights of recipients to the maximum extent consistent with accountability for expenditures of public funds.

Acceptance of these principles would go far toward the establishment of a fair and effective Federal approach to the poor. However, the real issue which must be addressed now is not what must be done in principle,

but what kinds of program change would most effectively support these principles and guarantee that the particular needs of the FHF/wc will not be lost sight of in more general efforts at reform. A review of alternative proposals, the manner in which they address key issues, and their implications for the FHF/wc is presented in the following section; recommendations for short-term Federal policy action appear at the conclusion of this chapter.

II. ISSUES IN WELFARE REFORM

Before reviewing particular proposals for change, it is necessary to make clear that no one proposal is likely to provide the total solution to the problems with the current system identified in this Report, and some proposals will address some of the principles of change stated above better than others. Any decision as to future policy directions must be based in part on consideration of how different proposals address certain strategic issues to accomplish these objectives. The key issues which have characterized welfare reform debate in recent years and which remain to be resolved are reviewed below.

A. General Reform Issues

Three broad issues in welfare reform -- or any major programmatic reform -- involve process, cost and authority.

1. Should reform be accomplished through comprehensive multi-program or individual program change?

Some argue that we must seek comprehensive, massive system reform and replace the existing categorical programs with a system which addresses total needs in a comprehensive manner and is efficient, easy to administer and equitable. Others take the position that while this may be a desirable end product, the likelihood of enacting, e.g., comprehensive income maintenance, a comprehensive manpower program, and a national health insurance system in the near future is dim because of administrative, economic, and political constraints. They argue that the most sensible

strategy in the short term is an incremental one which seeks to modify existing programs to reduce individual program complexity and inequity, while retaining basic program structures as they now exist. This classic argument between incremental and comprehensive reform strategies cannot be resolved by evidence, but the way in which the issue is addressed will have very real implications for the well-being of FHFs/wc and other needy individuals and families.

2. Can the society afford the cost of adequately meeting individual needs?

This issue similarly implies that trade-offs will have to be made between meeting the total needs of female-headed families with children (and other poor persons in the society) vs. the costs to society of doing so. Until the recent economic recession, many assumed that the ability of the Federal government to respond to human social needs was infinitely expandable and that money was not the primary obstacle in solving social problems. Recently, however, there has been considerable concern about balancing the Federal budget and constraining the growth of Federal programs, particularly Federal human resource programs. Many argue that any viable reform proposals will have to balance the needs of individuals with dollar budget limitations and may, therefore, be forced to chose between meeting some, rather than all, of the needs of FHFs and their children, or between meeting the needs of some poor persons rather than equitably meeting the needs of all.

3. Should the Federal government assume all responsibility for program administration and finance or should states and localities remain involved?

At its broadest level, this issue goes to the heart of the meaning of our Federal system and the "proper" division of responsibility it implies. More specifically, however, most argue that, since poverty is

a national problem, the Federal government should pay all or most of the costs of programs to alleviate poverty. Disagreement occurs over the extent to which such programs should be directly administered by the Federal government (as with, e.g., Social Security programs), administered by states with strong Federal oversight and standards (e.g., Food Stamps), or administered by states with considerable flexibility to meet local conditions (e.g., Title XX, CETA). Disagreement also centers on the extent to which states or localities should provide some of the funds to support Federal programs; the argument in favor is that states will be more responsive to meeting the needs of the poor efficiently and effectively if they have a financial stake in programs; those who argue against state financial participation assert that it will perpetuate existing inequities in benefits between states.

B. Specific Welfare Reform Issues*

A second set of issues which are more explicitly involved with proposals for change in Federal strategy toward the poor have to do with the nature of benefits which should be available, in what form, and with what requirements. Specifically:

1. What should be the balance between income transfer and in-kind benefits?

The issue here is the form of benefits through which peoples' economic and service needs can best be met -- by giving them the cash to purchase needed goods and services (income transfer) or by providing

*Considerable analysis of these issues has been performed in recent years, an adequate review and assessment of which is beyond the scope of this Report. The most relevant recent studies are cited in the Bibliography.

them with in-kind benefits (e.g., public housing, Food Stamps, Medicaid), in addition to a minimal cash grant. The arguments for moving toward total income transfer programs are that: 1) in-kind benefits are inefficient and that cash transfers are more easily administered, and 2) cash transfers allow for maximum individual freedom of choice to purchase goods in the market. The arguments against are that: 1) for many poor people, the problem is access to services as well as lack of income, so that some services should be provided directly with public funds (social services and child care are usually given as an example); 2) that politically it is easier to enact a series of add-on in-kind services rather than providing a cash income floor at a high enough level to meet actual needs. The latter argument is based on the historical willingness of the Congress and the public to increase in-kind benefits which will serve specific, socially desired purposes (e.g., adequate nutrition) rather than providing the poor with general increases in money to spend as they wish; and 3) a final argument in favor of retaining in-kind benefits is that some services are needed at vastly different levels of cost by different families, so that income transfer alone would not be adequate for many, but would be too high for some. Medical care is the case in point here.

2. Should persons receiving income transfers be required to work?

As is obvious from the historical development and current program description, work requirements are an integral part of programs providing income to FHFs/wc. The issue at hand is whether all U.S. citizens should be guaranteed a minimum level of income irrespective of other conditions or whether it is fair to impose a work requirement as an eligibility condition.

On one side, it is argued that all those who can work, do work if jobs are available and, at least with respect to FHFs/wc, it is more expensive to enforce a work requirement (including payment for child care or deducting the costs of work expenses from countable income) than to base eligibility solely on income requirements. It is further argued that work requirements for the FHF/wc are unrealistic in view of the limited opportunities for women to obtain jobs which pay more than minimal wages. On the other hand, it is obvious that the work ethic is a strong part of our national philosophy and that efforts to totally remove a work requirement would meet great resistance.

3. Should the creation of employment opportunities for the poor be the responsibility of the government or the private sector?

To the extent that income benefits are tied to employment, the issue becomes one of whether employment should be guaranteed through the public sector or should be provided through government incentives to the private sector. This issue, like those stated above, hinges in part on arguments of relative efficiency and in part on values about the role of government in relation to individuals and the social system. Arguments in favor of public employment are that it can respond quickly to employment needs and can be targeted to areas of high unemployment; arguments in favor of providing employment through incentives to the private sector are that such employment is less costly to develop, more likely to result in permanent jobs, and less likely to result in replacement of private by public employment with no net gain in jobs for the poor. In addition, it is argued that the development of employment by private enterprise is more in keeping with the U.S. economic system and values.

III. ALTERNATIVE PROPOSALS FOR WELFARE REFORM

Many public and private interest groups have recently looked at welfare as an issue and have independently arrived at positions on the subject. Groups with publicly stated positions include the American Public Welfare Association, the National Association of Counties, the Urban League, the Council for Economic Development, the National Governors' Conference, the New Coalition, the National Conference on Social Welfare, the New Assembly, the National Association of Social Workers, the AFL-CIO, HEW, and the Joint Economic Committee. Few are sufficiently developed to warrant endorsement at this time. Rather, the major approaches and a brief analysis of their responsiveness to the principles of reform set forth earlier, their position on the key reform issues, and their implications for the FHF/wc and other needy persons are presented here as a basis for future discussion. The alternative types of reform proposals to be reviewed include:

- Negative Income Tax
- Three Tier Work-Welfare-Tax Reform System
- Incremental modifications to existing programs, including administrative simplification and reduction of inequities.

A. Negative Income Tax

There are essentially two variants of the negative income tax approach to welfare reform which have been proposed.

1. Variant 1

A comprehensive approach to welfare reform has been developed and proposed utilizing the basic concept of a negative income tax (NIT). Essentially, the NIT proposals provide a Federal income maintenance cash grant to all persons whose incomes and assets fall below a set Federal floor, supplemented in some proposals by a system of tax credits to augment the incomes of the working poor. In one NIT proposal, the income support system would provide a uniform Federal benefit administered through the IRS system of approximately $3,600 per year for a family of four with two parents, with benefits varying by family size and composition. Benefit increases for additional children are scaled down as family size increases in order to provide an economic incentive for smaller families. There would be no work test, although the proposal envisions a separate manpower and training system under the existing CETA program, into which current WIN operations would be merged. The entire program would be federally financed with optional state supplementation. A 50% reduction rate on income would be applied, so that for each dollar earned, family benefits would only be reduced by $.50. Existing deductions for work-related expenses would be replaced with a flat standard employment expense deduction. The value of food stamps would be included in the basic grant (i.e., food stamps would be "cashed out") and 80% of the subsidy now provided to people in public housing or subsidized home ownership programs would be counted as income in determining the benefit level. Social services would still be provided in-kind as under Title XX. Working poor families who pay taxes would be aided through a $225 per person refundable tax credit administered through the Internal Revenue Service.

This approach is responsive to all of the principles for change, except to the extent that benefit differences could be retained by permitting state supplementation. With respect to the broad strategic issues addressed, this version of NIT/refundable tax credit is comprehensive in its approach to reform, serves all persons equitably with a guaranteed income (although below the poverty level), and utilizes a mixed Federal state system for different program purposes.

Regarding specific reform issues, income transfer by right is a key feature of this approach and is thus a far more realistic approach to the needs and abilities of many FHF/wc; however, the training and employment features of this approach do not guarantee any better access to training for the FHF/wc who needs and desires it than is true of the present system. This approach provides for more individual freedom of choice and administrative simplicity by cashing out Food Stamps, but it is important to note that the cashing out of Food Stamps into the basic grant could result in a net loss of resources to many FHFs/wc, as well as other poor families, who are unable to work and thus increase their earnings above the Federal floor. That is, if a family currently receives annual AFDC grant of $3000 and Food Stamps valued at $1200, the total benefit equals $42.00; cashing out the value of the Food Stamps while remaining within the proposed $3600 minimum grant proposed would reduce the total income by $600.00. Furthermore, this approach <u>assumes</u> the enactment of National Health Insurance to cover medical needs and does not address job creation directly at all.

2. Variant 2

Another version of the NIT approach similarly proposes a single federally-funded and administered program through the Internal Revenue Service, with a national minimum benefit level of about $4,000 per year for a family of four. It also proposes to cash out food stamps and to reduce benefits by $.50 for every dollar of earned income. It differs from the basic NIT plan in that: 1) in makes a distinction between those able and those not able to work, and imposes a work requirement on those expected to work as a condition of eligibility. The work requirement would be administered by State Employment Services; 2) it does not use the refundable tax credit; and 3) it would mandate state supplementation for those states which are currently paying higher benefits than those envisioned under the Federal program.

This approach is also responsive to the basic equity principles stated earlier; mandatory state supplementation in high payment states is a source of inequities, but at the same time protects current assistance recipients (primarily FHFs/wc) from sudden loss of income. It is a more generous approach to reform in terms of the minimum grant, and proposes a Federal/state division of cost and administrative burden which takes account of different state's ability to finance the program. The work requirement under this proposal appears to be similar to that under the existing system, with no guarantee that the FHF/wc would be better served by the manpower programs. The "cash-out" of Food Stamps (including their value in the basic grant) could, like Variant 1, actually result in lower net benefits to families and individuals and, again, the treatment of health care needs and job creation is not articulated.

B. Three Tier Work - Welfare - Tax Reform Approach

An approach to welfare reform which is more recently developed than either of the preceding two involves the separation of the current welfare and poverty population into three classifications: those who are expected to work, those who are unable to work, and those who are currently working but whose wages are low enough to keep them in poverty. Each group of persons would be provided for under a separately administered system -- a work-related program for those who can and are expected to work, a simplified income transfer program for those who, for reasons of health, child care responsibilities, etc., cannot reasonably be expected to work, and an earned income tax credit to provide income supplement for the working poor.

This approach is premised on the assumption that able bodied individuals prefer work to welfare and that government intervention relating to the support of income supplementation of employable persons should occur within the context of job markets, work, and training programs, and not within a welfare system. Both the work and welfare programs, although separately administered, involve the establishment of uniform national standards of eligibility and payment levels and full Federal financing. The work-manpower track would be for all persons who are temporarily unemployed but able to work, or who are judged to be potentially employable with the help of work and training programs. These persons would be required to participate in job development, skills training, employment experience and job placement through a program that would most likely be administered at the state and local level and closely tied with State Employment Services and CETA effort. Increased public service employment is also envisioned. If such persons met simplified income

criteria, they would also be provided a basic income support benefit during periods of unemployment and training based on a national benefit level, with possible regional variations. A separate income maintenance program, federally financed and most probably federally administered, would be established for those persons who are unable to work. The program would provide a uniform minimum benefit with possible state supplements to account for regional differences in the cost of living to all persons whose incomes and assets made them eligible for assistance. Social services would be provided to all types of persons, as needed, through some version of the current Title XX system, and Food Stamps would be cashed out for those on welfare rolls who are unable to work. The working poor would have their incomes supplemented through an earned income tax credit, thus keeping them totally outside the welfare system.

The proponents of this approach argue that income maintenance programs were originally intended to provide adequately for those persons who cannot work and, therefore, adequate benefits should be provided in a simple manner without the imposition of complex and often irrelevant work requirements. On the other hand, it is argued that the welfare system does nothing to further the economic independence of those who are potentially employable and, in fact, removes them from the mainstream of the labor market, which has in itself proved to be inadequate for the poor. By treating them in a separate work security system that is geared to employment and training, it is believed that this program will best meet the temporary income support needs, while providing opportunities for employment and eventual self-support. This approach is also intended to fill the present gap in income for those who are fully employed but whose earnings are not quite sufficient to rise above poverty, based on the realistic assumption that the economy will always include some occupations which do not provide adequate wages.

On balance, this proposal is semi-comprehensive with respect to reform compared to the basic NIT plan, promises equitable benefits to people with like needs, and, like both NIT plans, gives the Federal government the major responsibility for income transfers while leaving state and local governments with relatively more discretion with respect to manpower and social services.

The designation of some persons as "employable" and others as "not able to work" presents some serious questions about equity and intrusiveness at the local decision-making level, comparable to what is now found in the WIN program. However, this conception of facing up to genuine lack of employability and providing reasonable (though still undefined) benefits to those who cannot work while removing those who can work from the welfare system promises to be a more fruitful approach to the FHF/wc than the current system which does not in theory recognize significant differences in the capacity of FHFs/wc to work and involves much waste motion for administrators and FHFs alike. The provision of tax credits to the working poor would ensure equal "work incentives" for all those who are actually expected to work, although how much access they would have to training for higher paying jobs in not clear. This plan also would partially cash out Food Stamps, perhaps to the disadvantage of the low-income non-working FHF/wc. Finally, like other plans, health needs are not directly addressed. The proposed system would, according to some proponents, rely heavily on public service employment to ensure the availability of jobs for those who are required to accept training and employment as a condition of assistance.

The major design features of these broad proposals are summarized in Exhibit 1.

EXHIBIT I: Major Design Features of Comprehensive Welfare Reform Proposals

Proposals	Eligibility	Benefit	Financing	Administration	Work Test	Effect on Other Programs	Estimated Federal Net Costs
NIT - Variant 1	Universal eligibility based on uniform income & assets tests	Standard federal minimum benefit $3600 year for 2 parent, 4 person family $3000 year for 1 parent, 4 person family 50% benefit reduction rule for income Income tax credit for working poor	Full federal financing Optional state supplementation	Federal administration through IRS	None Standardized deduction for work expenses	Cash out food stamps Merge NIR with CETA Count as income for grant, 80% of subsidy reserved for public housing tenants or home purchases	15.4 billion (FY 76) 23.1 billion (FY 77) 26.4 billion (FY 78)
NIT - Variant 2	Universal eligibility based on uniform income & assets tests Work requirement for those judged employable	Standard federal minimum benefit (approximately $4000 per year for family of four) 50% benefit reduction rate for income Tax relief for low income persons	Full federal financing Mandatory state supplementation to current AFDC levels	Federal administration through IRS	Yes Those judged employable would be subject to work requirement administered by state employment services	Cash out food stamps Expanded manpower & job development in state employment services	Not available
Three-Track Approach: • Manpower Track for persons able to work	Universal eligibility for employable and potentially employable persons whose income and assets fall below a federal standard	Employment opportunities Training Job development Income support during periods of training & unemployment at Federal minimum benefit level	Full federal financing	Implied state and local administration coordination with UI program	Yes Those receiving work security income support benefits would be required to accept work on training	Expanded manpower & job development activities Retain social services program	Not available
• Welfare Income Maintenance Track for persons not able to work	Universal eligibility based on uniform income and assets test	Minimum benefit with regional variations	Full federal financing	Possible Federal administration	None	Cash out food stamps Merge with SSI Retain social services	Not available
• Earned Income Tax Credit for working poor	All persons with earned income under $12,000. a year who file a tax return.	Tax credit on earned income of approximately $2,000 for a family of 4 with an earned income of $4,000.	Full federal financing	Federal Administration through IRS	Only applies to earned income		Not available

C. Modifications of Existing Programs, Including Administrative Simplifications and Reduction of Inequities

Many argue that the likelihood of Congress enacting major comprehensive welfare reform in the near future is dim and that welfare reform objectives can best be achieved in the short term by concentrating on incremental modifications to existing programs to reduce the administrative complexities as well as inequities and gaps in coverage. Toward that end, several modifications to existing programs have been proposed, including:

1. Mandated coverage of unemployed fathers under AFDC.

Under existing law, states can, at their option, provide AFDC coverage to two-parent families in which there is an unemployed father who works no more than 100 hours per month. Twenty-seven currently exercise this option. One proposal is to mandate this coverage for all states, thus eliminating a major inequity which now exists between support for two-parent vs. one-parent families. This change would do nothing by itself to improve the status of FHFs, but it has been argued that it would reduce existing incentives toward family break-up and, therefore, reduce social, emotional, and economic pressures on women. It has been noted elsewhere that is is arguable that the current system causes family break-up; be that as it may, this approach would support the basic principle of equal treatment based on equal need.

2. Federal minimum eligibility and payment level for AFDC.

This proposal essentially would "Federalize" the existing AFDC program by providing full Federal funding for a national minimum payment

level, with eligibility based on Federally established standards for income and assets. This would do much to eliminate the inequities in the treatment of FHFs/wc between states, but its total reduction of inequities would depend on how state supplementation was handled. If no supplementation was permitted, families in high-payment high cost states could be less well off than those in lower-cost areas; on the other hand, permitting state supplementation at state option could reproduce the arbitrary differentials which now exist. In any case, this approach would do nothing to correct existing inequities between working FHFs/wc, and between FHFs/wc, two-parent families and other people who are currently ineligible for assistance under any of the categorical programs.

3. Standardized deductions for work-related expenses.

The way in which states calculate work-related expenses is complicated, differs between states and even between different localities in the same states, is subject to many errors and results in added income for some on welfare while maintaining them in the welfare system; others with equal expenses may actually be denied income through work-related expense computations. In order to correct this problem, and primarily to simplify the administration of the existing AFDC program, several options for standardizing the way in which work-related expenses are calculated have been proposed. The advantages of a simplified approach are obvious; however, it runs into conflict with the court decision which found that reasonable work-related expenses in excess of a standard deduction must be met. Therefore, the most widely accepted current proposal suggests a standardized deduction for work-related expenses with upward exceptions for special needs where documented. This would respond to the principle of reducing administrative complexity as well as inequity without significant loss of benefits to the FHF/wc.

4. Mandated coverage of medically needy.

The debate about a national health care system is even less fully articulated than the welfare reform debate. In the interim, however, many have suggested that the existing Medicaid program be modified to mandate coverage of medically needy persons whose incomes place them slightly above eligibility levels for cash assistance. This is currently a state option which is exercised by only 32 states. While adoption of universal coverage of the medically needy would be of considerable assistance to the FHF/wc, the major problem with this proposal is that state and federal cost increases under the Medicaid program have been so great that many states are proposing cutting back on their Medicaid programs rather than expanding them. In any event, the net gain to the medically needy non-AFDC recipient is problematic, as there is no systematic Medicaid outreach program.

5. Cashing-out Food Stamps.

Over the past several years, proposals to cash out Food Stamps in favor of an increased income maintenance grant have continually surfaced and the cashing-out of Food Stamps is an element of the comprehensive reforms described above. Such an action responds to the principles of administrative simplicity and minimum intrusiveness into the lives of individuals. However, efforts to cash-out Food Stamps have failed in the most recent past because Food Stamps now cover many more people than those receiving cash benefits and, in fact, Food Stamps have become an income support program for many of the working poor. The Food Stamp program is currently the only major program which is truly reponsive to the

principle of need rather than making benefits available only to certain categories of persons, and many fear that changes in the Food Stamp program without corresponding reforms in other programs would hurt all poor and near poor families.

SUMMARY

This brief review of proposed alternatives to the current Federal programs, their responsiveness to the basic principles for change endorsed in this Report, the way in which they address strategic reform issues, and their probable implications for the FHF/wc supports the assertion that no existing proposal is ideal in every respect. Furthermore, none of the proposals has been sufficiently developed or analyzed with respect to costs and level of benefits to permit a conclusive analysis of their implications for the FHF/wc. All of the more comprehensive approaches either assume enactment of National Health Insurance or some job creation bill or are silent on these key features of any system to alleviate poverty and promote independence.

Analyses of alternatives are now in progress within the Department of Health, Education and Welfare and by the Congressional Budget Office, as well as by private organizations and interest groups. Additional alternatives are being developed. In effect, the articulation of alternatives to achieve the goals endorsed by SACCRW and most others involved with the issue of Federal programs for the poor is only beginning to be the focus of concerted effort. It is hoped that the information and analysis of the current system contained in this report will contribute to acceptance of the principles of reform set forth here and to awareness of the special needs of the FHF/wc as the welfare reform debate develops.

At the same time, development of consensus on reform is certain to be difficult. There are some administrative actions which could be taken immediately to reduce the burdens of current system on the FHF/wc and the program staffs at all levels. Recommendations for these actions are presented in the concluding section.

IV. RECOMMENDATIONS FOR SHORT-TERM ACTIONS

Actions which could be taken by the Secretary, DHEW and the Secretaries of Labor, Housing and Urban Development, and Agriculture, to reduce the inadequacies and inequities of the present system without controversial legislative change are as follows:

- State and local agencies responsible for each of the programs reviewed should be required, by agreement between Federal Departments, to jointly develop and utilize common forms for basic client data and verification of information. These forms, when completed by one agency, should be shared with all other agencies providing services for which an applicant may be eligible, with permission of the applicant. This recommendation would significantly reduce current program complexity and intrusiveness and would be welcomed by state and local agency staff and applicants alike.

- WIN III requirements that AFDC applicants be required to accept employment if at all possible prior to receiving AFDC benefits should be abandoned. This provision attempts to promote immediate job placement of FHFs/wc prior to determination of AFDC eligibility and benefits. The intended result is either to render the applicant ineligible for AFDC due to level of earnings (which may in fact be quite low), or at least to reduce the amount of the AFDC grant by counting earned income, less $30 + 1/3 of the remainder, in the benefit calculation. While this provision might save Federal and state dollars, it denies income and the training opportunities needed for economic independence for the FHF/wc. It is a short-sighted policy which should and can be abandoned by administrative decision.

- WIN programs should be required by regulation to undertake the development of non-traditional employment opportunities for FHFs/wc, and WIN administrators should be held accountable for the number of non-traditional placements achieved annually. The real reluctance felt by many women to jobs undertake jobs traditionally performed by men is recognized. Such efforts by WIN must include systematic orientation to the opportunities involved for such women rather than simple presentation of the options to individuals by employment counselors.*

- The Departments of Labor and HEW should provide intensive technical assistance in procedures for ensuring involvement of the FHF/wc in the program planning process of Title XX agencies and CETA Prime Sponsors. This recommendation reflects the finding that Title XX agencies and CETA Prime Sponsors are often willing to offer greater priority to the FHF/wc but are unable to develop processes by which the needs of the FHF/wc can be articulated in the planning process. It is true that both Departments have attempted to provide assistance to states and areas in the administration of these relatively new program designs, but such efforts have thus far had little apparent effect.

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* Comparable action by CETA would be desirable, but the law apparently does not permit the Department of Labor to impose such requirements on CETA Prime Sponsors.

- By joint agreement, at the Federal level, all programs should be required to report benefit and service activity to FHFs/wc rather than simply by female-headed households or by women in general. This recommendation would not only make clear assessment of program performance for the FHF/wc more accurate and appropriate as a basis for further policy analysis, but in itself would sensitize program administrators at all levels to the need to be concerned with the impact of their programs on this most needy population.

Is it worth the effort to engage in short-term administrative reform if broader reform of the Federal strategy for meeting the needs of the poor is high on the national agenda? For those who are dependent upon the present welfare system, the answer must surely be "yes". Even these rather narrow, technical recommendations would improve the daily lives and future prospects of literally millions of poor women and the children in their care. Many of the state and local officials consulted in the course of this study -- although weary of constant program modifications -- would support these recommendations out of their humane concern for the well-being of the families they serve.

It is hoped that serious consideration will be given to such changes while we as a nation move to a more realistic and equitable approach to meeting the needs of all those who require our help.

APPENDIX: STATE CASE STUDIES

STATE A: HIGH AFDC/MEDICAID BENEFITS

STATE A: HIGH AFDC/MEDICAID BENEFITS

1. Program Structure and Interrelationships

In State A, the Department of Public Welfare administers and operates the AFDC, Medicaid, Title XX social services, WIN social services, and Food Stamp programs. The departmental organization includes a central administrative office which sets program policy and procedures, seven regional offices which organize and direct program operation, thirty-eight service area offices which provide social services (WIN, Title XX), Assistance Payments, Medicaid and Food Stamps, and over a hundred welfare local offices which provide only these last three programs. All staff are state employees. This structure has been in place eight years and was preceded by a system of local operation. In moving to state operation over half the state's welfare offices were closed.

At the central and regional levels the organization is program based (Office of Social Services, Office of Medical Assistance, Office of Assistance Payments, etc.). However, the Office of Assistance Payments is responsible for determination of Medicaid eligibility, management of Food Stamps, General Relief and commodity distribution in addition to AFDC. The Child Support Enforcement Unit, which was well established in State A prior to enactment of Title IV-D, is located in the Office of Administration.

The state Office of Economic Affairs (which includes the state Labor Department) is responsible for the employment and training aspects of the WIN program. Until recently there has been no WIN-CETA coordination. There are eight CETA prime sponsors in State A including the balance-of-state program. Both WIN and CETA utilize social services provided through the Title XX program, though no written agreements exist.

Between forty-five and fifty operational local housing authorities provide low income public housing and in all but a few cases administer the Section 8 program. Roughly half the State's public housing units were developed with State rather than HUD financing.

2. Program Eligibility, Benefits and Rationale

AFDC

Eligibility and Benefits

State A has extended AFDC eligibility to needy families with unemployed fathers (who are not receiving unemployment compensation) and unborn children. Families may own a home with no set limits on valuation, but personal property is limited to $1000. However, if a recipient family accumulates savings for the future education of the children which increase personal assets above $1,000, the family will not become ineligible.

Following a cost of living increase in the need standard in July 1976, the need standard for a family of four was $347.30 per month. There are no maximum or minimum payment limits in State A. State A pays 100% of the need standard. In addition to the monthly AFDC benefit, the State pays a quarterly grant, based on family size, to cover "special needs" that were once individually determined.

Presently the State has two need/payment standards. The second standard is used in cases where the mother has remarried and is presumed therefore no longer in need. The grant is based on the needs of the children only and includes $87.80/month for the first child and $51.90 for each additional child.

In determining countable income for eligibility, the state disregards from income work related expenses, including day care, and paid earnings of dependent children who are at least part-time students. In determining actual need and benefits, $30 plus 1/3 of gross monthly earned income, WIN $30 training allowances, and other manpower training expense allowances are further disregards. The remaining income is applied to the state need standard, and payment is the deficit, which is the difference between the full standard and the net income.

Rationale

State A has traditionally had high levels of program benefits. In moving to a consolidated need standard the State used the model approach developed by HEW and set standards at a level higher than the grant average in order to limit the number of existing cases whose grants would have been reduced. Both the consolidation of the basic grant and the consolidation of the special grants have reduced the overpayment, underpayment and overall error rates, potentially saving the State millions in quality control sanctions.

Adoption of the AFDC-UP program was a response to the high unemployment situation in State A. The Welfare Department has worked closely with the Division of Employment Security (DES) to develop a special UP/DES unit and UP priority for employment.

The State has long had a child support enforcement unit to which all appropriate AFDC intake is referred, however, the courts in State A have not traditionally made high support awards.

State efforts at reducing welfare costs have focused on the solely state supported General Relief (GR) program rather than on AFDC. Employable single individuals and several other groups of former GR recipients have recently been classed as ineligible and the scope of medical coverage for GR recipients has been severely curtailed.

MEDICAID

Eligibility and Benefits

State A provides Medicaid benefits to all AFDC and Supplemental Security Income (SSI) recipients, to medically needy "individuals" -- defined as those who would be eligible for AFDC or SSI if their incomes were lower -- and to all children who meet the medically needy income test. Upper income limits for medically needy eligibility are:

Family Size	Net Income
1	$ 3,504
2	4,300
3	4,680
4	5,280
5	5,880
6	6,480
7	7,080
8	8,280
10	8,880
For each additional person	600

Potentially eligible families with higher incomes may become eligible when they incur sufficient medical expenses to 'spend down' to the above limits. The income disregards used to determine net income are the same ones used in determining income under the AFDC and SSI programs. However, resource allowances are more generous, permitting $2,000 per individual up to a maximum of $3,000 per family plus $100 for each dependent.

No fees are charged and all benefits are available to both categorically (AFDC and SSI) and medically needy recipients. The services covered by Medicaid and the service limitations of the state program are as follows:

Inpatient Hospital	Limited only by utilization review
Skilled Nursing Facility	Duration determined by Department of Public Health on-site review
Physician's Services	One visit per month unless medical justification is submitted
Podiatrist's Services	Limited to care essential to prevention and treatment of disease
Optometrist's Services/ Eyeglasses	Prior approval for tinted lenses, new lenses, two pairs of glasses, contact lenses and routine exams
Private Duty Nursing	Prior approval required
Dental Services	Examination, charting, and bridgework not covered for adults
Physical Therapy	Must be goal-oriented
Drugs	GR recipients covered only for life-sustaining drugs
Dentures	Prior approval
Prosthetic Devices	Prior approval
Personal Care Services	Must be covered by certified home health or rehabilitation agency
Transportation to Medical Care	Limited to common carrier or neighbors
Outpatient Hospital Lab, X-Ray Intermediate Care Facility EPDST Home Health Services Clinic Services Other Diagnostic Screening and Rehab Services Hearing Aids Christian Science Care	No limitations specified

Payments are made directly to providers on behalf of the recipient rather than to the recipient. Medicaid coverage includes the three months prior to the date of first receipt of AFDC and the four months following loss of AFDC eligibility.

Within the last year legislative action has imposed a 30% reduction in physician's fees, implemented by simply reimbursing at 70% of the billed amount. Several other service limitations were imposed in an effort to save the State money but, with the exception of severely curtailed services to GR recipients, the services cut were restored in July of 1976.

Rationale

Medical assistance in State A has a history of considerable legislative involvement and high political visability. Traditional state programs, prior to national Medicaid legislation, had provided a wide range of services to a limited population. State A delayed adoption of the Medicaid program for two years after enactment of the program in 1965. Despite state administrator recommendations to begin by covering only the categorically needy, liberal legislators adopted a program covering the medically needy and children under 21 as well.

Faced with continual need for deficit program appropriations, the legislature has sporadically limited and restored services. Recently there has been some discussion of restricting medically needy coverage. It was generally felt that such a step was unlikely, both because it would create a drop in revenues from the Federal government, and the political unpopularity of restricting services to the aged, who receive 70% of the dollar value of Medicaid benefits.

TITLE XX SOCIAL SERVICES

Eligibility and Benefits

Persons eligible for Title XX funded services in State A include AFDC, SSI, and Medical Assistance Only recipients and persons whose family income does not exceed 69% of the state median income for that family size. Four types of services are provided without regard to income. These are Information and Referral, Protective Services for Adults, Protective Services for Children, and Emergency Shelter.

No fees are charged for Title XX services with the exception of pre-release residential services provided by the Department of Corrections. The number of types of services provided in FY 76 and FY 77 remained constant at 25 though there were a few changes within the list of services. Estimates for some less frequently used services, e.g., housing, alcohol, treatment, and corrections were reduced for FY 77. The proportion of Title XX funds to be used for day care was reduced from 23.6% to 21.8%. Day care, like many of the social services, is provided through contracts with private providers (both centers and vendor payments to licensed care givers).

Rationale

State A's decision to set income eligibility limits at 69% of the state median was based on an estimate of potential demand and a concern with meeting the Federal requirement that 50% of service expenditures be for AFDC, SSI, and Medicaid recipients. There is little desire to change the income eligibility standards because of the large number of families that would become eligible with just a small change in the percentage level.

The State has studied the question of charging fees for some services. The task force recommendation was that fees not be charged because of administrative difficulties, cost of collection, and implications for changing the income eligibility standard.

All services are not offered in all seven regions of the State. The configuration of services offered has remained much as it was prior to introduction of Title XX. Title XX was perceived in State A as a refinancing mechanism for existing programs. All planning functions were not transferred from the Executive Office of the Governor to the Welfare Department (the designated agency) until December 1975. Need assessment was done at the regional level but priorities for the FY 76 and 77 plans were not developed until after submission of the State Budget. The planning cycle has now been adjusted so that the Title XX Plan for FY 78 will be complete before the state budgetary planning cycle.

State A has a large, well established network of private providers. The day care providers are particularly well organized. The traditional strength of the provider community was instrumental in the decision to allow providers to determine eligibility directly.

FOOD STAMPS

As in all states, national eligibility criteria and benefit levels are applicable in State A. However, food stamp benefits for SSI recipients have been "cashed out". State A did not implement the Food Stamp program until July 1974, the maximum time allowed by Federal law, as the state had until that time relied very heavily on the Commodity (Surplus Food) Program instead of Food Stamps.

LOW RENT PUBLIC HOUSING AND SECTION 8

Eligibility and Benefits

Eligibility for public housing is income related and for Federally assisted, housing is limited to families and single individuals who are over 62, or medically disabled or displaced. Other single individuals are eligible only for state assisted housing. State-wide income eligibility limits vary, in accordance with regional living costs.

In City A, income limits for admission to a Federal project range from $5,650 for a family of one, $9,000 for a family of four, to $11,250 for a family of eight or more. Comparable admission limits for state aided projects are $6,000, $7,300, and $8,700. Limits for continued occupancy are higher in both types of projects, being $7,800 for a family of one, $9,490 for four, and $11,310 for eight in Federal projects. Applicants who own real estate are ineligible for admission. Allowable assets are limited to the larger of $10,000 or 150% of net income.

In determining family income and rent in Federal projects, the following deductions from gross income are allowed: 5% of income (10% for elderly, disabled or handicapped), $300 for each family member under 18 or dependent adult and $300 for a working spouse, medical expenses in excess of 3% of gross income, and work related expenses including child care. The income and rent determination for state projects does not allow for a working spouse. Instead $300 is deducted for each family member other than the head. Medical insurance premiums are also deducted. Rent charged is 25% of net income except where the ceiling rent for the unit is lower, in which case the ceiling rent is charged. Rents are adjusted when family income changes.

Priority for placement goes first to displaced applicants, disabled veterans, other veterans, *housing emergencies and then to other* applicants. Beyond this, applicants are selected for housing by date of application and in accordance with number of bedrooms needed. Applicants may elect to be placed on waiting lists for individual projects. 18% of the units and 49% of the projects are reserved for elderly persons.

Social services are provided at 82% of the developments and include day care (for which the housing authority provides an in-kind space contribution), nutrition, health related, and employment counseling, among others. The services are funded under Title XX and Federal programs for services to the aged.

Eligibility for Section 8 assistance payments has been set in Federal legislation at 80% of area median income. It is estimated that 65% to 70% of City A's population is eligible under this definition. The local housing authority in City A had not yet received any Section 8 units. It had requested several thousand units and anticipated receiving under 500. All of these will be existing units and half will be converted from units presently leased by the authority under the Section 23 program. Roughly 150 units had been made available in the area through another PHA. State-wide, 12,000 existing Section 8 units have been approved, approximately 28% of which were occupied by August; 1,500 new/rehabilitated units had been approved, of which 21% were occupied.

In addition to public housing and Section 8, there are just under 1,000 units in privately-owned projects in State A receiving rent supplements.

Rationale

Basic income deductions and eligibility limits are consistent with Federal regulation and area income levels. Higher income limits for continued occupancy are seen as attractive because in permitting some families to stay on as tenants, the Authority's income and the economic mix in developments are improved. When income exceeds maximum limits, families may remain tenants after completing a written statement that they are unable to locate alternative housing.

WIN

Eligibility and Benefits

All AFDC applicants and recipients who are not exempted in accordance with national regulation are required to register with WIN. Those who are exempted may volunteer for the program. As many registrants as possible are placed in employment immediately. Employable registrants who are not directly placed are offered training or one of the other WIN components if necessary support services (transportation, day care, etc.) can be arranged. AFDC-UP have priority for all WIN activities, followed by volunteer and mandatory mothers, pregnant mothers under 19, unemployed youth and all others.

Employment plans are developed on an individual case basis and registrants are assigned to training opportunities on the basis of individual "fit". Necessary services are arranged by the SAU and the trainee receives an incentive allowance and payment of all related

expenses; these allowances are not considered income for AFDC purposes. Presently there are no PSE placements under WIN.

Services are provided for 90 days following transition of trainees to unsubsidized employment. Day care may be paid for directly by WIN or provided by Title XX.

Rationale

The high priority given to AFDC-UP placements is due to the fact that unemployed fathers are not permitted to take the $30 and 1/3 earned income deduction in determining AFDC grant payments. Therefore, all personnel felt it was most important to obtain high paying placements for these men.

Dissatisfaction was expressed with the policy of mandatory registration of pregnant mothers, but as program capacity is only roughly 10% of total registrants, these and many other unenthusiastic registrants are allowed to remain in the "unassigned registrant pool". Registrants are frequently exempted for health reasons.

GED, English language, cosmetology and LPN training, and clerical OJT were listed as the most attractive training preferred by participants. However, it was explained that no problem with non-traditional placements existed for women who chose such alternatives.

PSE has been curtailed in State A following a court ruling that WIN PSE earnings could not be counted as income against AFDC grants. This exclusion would result in maintaining a high level of aid to employed recipients.

CETA

Eligibility and Benefits

Unit FY 1977, female family heads were not identified by any of the prime sponsors in State A as a significant segment. Statewide, several pilot projects directed at women will be funded from discretionary funds. These pilots are designed to provide front-end outreach and counseling for the target group prior to enrollment in existing CETA programs. They will be implemented in areas where the designated target group falls within prime sponsor priorities. One such program is aimed at displaced homemakers and another at preparing minority women for managerial and professional jobs. The City A prime sponsor has identified female family heads as a significant segment for FY 1977.

In City A, as at other prime sponsors, eligibility for CETA programs funded under Titles I, II and VI is determined on the basis of national DOL criteria (unemployed, underemployed members of significant segments). Priority for enrollment training programs and jobs is given to those who have "the best chances for placement into the labor market". State A has PSE programs under Titles II and VI with funding almost twice the federal level under Title I. These jobs are reserved for those who have skills and are considered job ready. A separate application is required, and jobs are assigned first by a complicated lottery system followed by a skill matching process. Veterans have high priority and PSE jobs have generally been less available to women. As a state policy, coincidental with the state civil service hiring freeze, state approval of prime sponsor CETA plans is exchanged for prime sponsor assignment of a certain number of CETA slots (PSE workers) to state agencies. PSE jobs are temporary and funded for one year.

Both classroom and on-the-job (OJT) training is available. In general, OJT is restricted to those individuals who have not received a previous training component (with the exceptions of Basic Education or English as a Second Language). Training is for entry level positions and only three programs last longer than 26 weeks. Prime sponsor projections estimate that CETA can reach only 10-13% of the target population and within the significant segments priority for training programs and jobs is given to those who have the best chances for placement. Women tend to receive clerical classroom training.

The prime sponsor in City A provides training allowances but very few services and does not provide or pay for day care. Program personnel expressed the view that there was sufficient latitude in social service eligibility requirements for clients to secure day care directly through Title XX.

Rationale

The prime sponsor in City A is allocated lower federal assistance under the present CETA funding formulae than it received under the old categorical manpower programs. Accordingly, Title I funding will continue to be reduced 10% each year until the level prescribed by the CETA formula is reached in FY 1978. Faced with this budgetary pressure the prime sponsor policy is to reduce services and the comprehensiveness of the assessment battery while attempting to maintain "hard" training programs.

At the same time political pressure from interest groups has resulted in the designation of a women's subcommittee on the Advisory Planning Council. Subcommittee lobbying resulted in the designation of

female family heads as a significant segment. This group has also advocated affirmative action within the prime sponsor, increased non-traditional training opportunities for women, and provision of day care.

Until recently there has been very limited coordination with the WIN program in City A. The State Planning Council has advocated increased coordination, and a joint WIN-CETA program for teenaged drop-outs has been planned.

3. Program Operations and Procedures

AFDC

Intake

In City A, in the service area office, a receptionist screens applicants for program need: AFDC, Medicaid, Food Stamps, Social Services, General Relief, or Emergency Assistance. AFDC applicants are referred to an AFDC Intake worker who gives the applicant a six page application with roughly 42 questions covering address and martial status, reason for children's need (with supplementary information required on parent's disability or unemployment status), previous aid, all persons for whom aid is sought, number living in the home, and children out of the home, nature of living arrangement, personal property, real property, sale and transfer of property, income from earnings, health insurance, unearned income, and life insurance. The applicant also receives a written statement detailing his/her rights and responsibilities and describing the internal and external verifications the department will process.

An appointment is scheduled for approximately one week later and the applicant is instructed to return with the completed application and the supporting documentation listed on a separate hand-out. This includes bank books, insurance policies, pay stubs from the preceding five weeks, State Employment Registration, award letter for social security, pension, veteran benefits, scholarships, or student loans, marriage certificate or birth certificate, children's birth certificates, divorce or separation documentation, rent receipts, medical insurance card, court ordered support agreement, social security card, pregnancy statement from hospital or clinic, and alien registration card.

Formal intake interviews are scheduled to last one half hour. The application is reviewed, a page on social service information and problems filled out, signed in the presence of the intake worker, and missing documentation noted. A Spanish-speaking intake worker sees Spanish-speaking applicants. The applicant is told about Medicaid and Food Stamp benefits, which will be more fully explained during the field visit. A WIN referral and registration form is filled out which the applicant then takes across the hall to a DES/WIN worker. If separation or divorce has been adjudicated the client is taken to a separate support technician, fills out a support statement and returns to the intake worker with a photostate. A court worker in the support unit then opens the case. If the applicant has moved from another state, a letter indicated the case has been closed in that state is required from the state by the worker.

Verification and Certification

A field visit by another intake worker is then scheduled to verify applicant residence. The field worker verifies rent and utility bills and completes a budget worksheet to determine grant size, or a

form detailing reasons for denial if such was the case, a WIN case review document on exempt status, and a food stamp affidavit and food stamp budget worksheet. If the applicant is living in a household where some members do not receive public assistance the household is considered non-PA for Food Stamp purposes and for which a separate non-PA Food Stamp Intake is required. He/she is then referred to non-PA Food Stamp Intake.

An intake supervisor signs the forms, a grant authorization is prepared and forwarded to the regional data control unit where an identification card is prepared for the recipient who receives a notification letter and must appear in person at the office to pick up the card.

Determinations must be completed within 30 days of the initial request. Intake workers have a caseload of 54 cases/month, including a maximum of 27 AFDC cases.

When AFDC clients have been added to the Assistance Payments computer through a central master file, a Medicaid card is automatically mailed out each month. The client also receives a notification of food stamp benefits, distribution points and a food stamp identification card from the food stamp computer system. A separate manually processed form is used for referrals to social service workers.

Recertification

Cases are retained in Intake until the first AFDC check is received, then forwarded to the Assistant Payments Unit. State requirements stipulate that eligibility redeterminations will be done every

three months. Due to caseloads averaging 150 cases/worker, redeterminations tend to be done on a 9 month to one year cycle. State A is contemplating several measures to prioritize redeterminations within the backlogged cases, including review of cases with children over 16 and cases with earned income.

Eligibility redetermination involves a home visit in all but two high risk geographical areas, where waivers have been obtained, and completion of an abbreviated version of the application form which the client must sign. The recipient is required to inform the case worker at any time of changes affecting the family situation.

Benefit Delivery

Checks are mailed throughout the month. Each client receives two payments a month on days determined by the last digit of his or her social security number. If a client signs a statement indicating his or her desire, rental payments for public housing can be withheld from payment checks and paid directly to the housing authority. No provision has been made for withholding food stamp purchase requirements from grant checks.

MEDICAID

Intake, Verification and Certification

The procedures for extending Medicaid benefits to the categorically needy have been described above. Because the categorically-related medically needy must meet all the eligibility requirements except financial

need for AFDC or SSI, their intake, vertification and certification procedures are essentially the same. In all but the largest offices, applications are processed by the same workers; the same forms are used.

However, medically needy applicants must present proof of payment of medical bills which has brought their income below welfare standards, the "spend down". In State A, children on General Relief under 21 are also eligible as medically needy. Many medically needy applicants are referred to local welfare offices by hospitals and other providers.

Benefit Delivery

The computer data control records indicate an individual's Medicaid status, and each month a Medicaid eligibility card is automatically mailed to that person. Upon presentation of the card, all bills and claims for covered services are sent by the provider, either to a state claims unit or one of two fiscal intermediaries. Each of these units processes specific types of claims.

Local welfare offices are empowered to issue temporary eligibility cards, pending completion of the computerized cycle. Over 50% of all providers in State A accept Medicaid patients; access is reported to pose no problem.

TITLE XX SOCIAL SERVICES

In State A eligibility can be determined both by the welfare department and by providers. A client's declaration of income is accepted in determining eligibility, though the individual accepting the application may request verification if he/she thinks it necessary.

Within welfare offices, intake or assistance workers make a preliminary inquiry about services desired and may refer an assistance case to social services Information and Referral workers. I&R may make a referral to a provider and then assign the case to a services generalist on an on-going basis, or to a child welfare specialist. Non-assistance requests for service are also referred to I&R and, if income eligible, may be passed on to generalist workers.

Providers, having determined eligibility, must forward client data to the welfare department. Presently, to preserve recipient privacy, this information is reported in anonymous case-numbered form.

At the time of our visit to State A, concern over provider determinations of eligibility and assignments for day care had led to a temporary policy where all day care applications were referred to the Welfare Department for approval and assignment to waiting lists.

As there are no service fees in State A, all provider contracting and billing is handled directly by the Department.

FOOD STAMPS

Outreach

Of the programs examined, only Food Stamps and the EPDST program under Medicaid have national outreach mandates. In State A, a major outreach program was launched two months prior to statewide adoption of the Food Stamp program. The effort has been commended by FNS and others and involved first a bilingual saturation programs including pamphlets,

TV, radio and press announcements, a toll-free hotline and mobile registration units. The program was gradually decentralized to community-based organizations to focus further on the "eligible hardcore". Throughout the campaign the participation of over 200 volunteer agencies has been key. As a result it is estimated that between 79% and 83% of eligible households in the state (including 95% of Public Assistance households) are participating in the food stamp program.

Intake

Households receiving public assistance may file a Food Stamp affidavit through the AFDC intake worker as detailed above. Non-assistance households may file applications at local welfare offices. Trained volunteers may also take applications, though they are not allowed to certify households for participation.

Non-Public Assistance applicants complete a four page form covering household members, resources, income, deductions, medical expenses, and shelter expenses. Interviews are generally scheduled for the following week.

Verification

At the interview the non-PA applicant is required to provide as verification, five currently weekly pay stubs, unemployment ID card or award letter from assistance agency, medical bills above $40, court order and cancelled checks for alimony or support payments, rent receipts or real estate tax bills, heating bills above $50, and proof of work registration with DES. The application form lists the documents to be provided. Students over eighteen must complete a tax dependency supplement. Spanish application forms are available.

Certification

Food Stamp workers complete a worksheet which determines applicant eligibility, coupon allotment, and purchase requirement. There are approximately 110 certification offices. Certifications must be completed within 30 days. This has posed a problem in State A where, due to a state hiring freeze, the average caseload per worker is about 700. CETA PSE workers carry much of this load.

Eligible applicants receive a letter explaining the period of certification, the required purchase amount and the bonus value, enclosing an identification card and listing distribution points. Authorization-to-Purchase (ATP) cards are automatically mailed to arrive on the first of the month. The State is presently resisting both Federal and recipient pressure to issue ATPs over the counter due to concerns over the risk of theft.

Benefit Delivery

ATP cards provide the option to purchase coupons weekly, bi-monthly, or monthly. Coupons may be purchased from 806 issuing agents, including 667 banks, 59 post offices, and 80 other non-bank agents. Some agents are open until 9 PM. A total of 4,650 stores and 209 facilities authorized to sell meals for Food Stamps participate in the program. There is no provision for mail-out of stamps or withholding purchase requirements from Assistance checks. Under court order benefits lost due to wrongful stamp delay, denial or termination must be restored by an upward allotment adjustment in future months.

LOW RENT PUBLIC HOUSING AND SECTION 8

(The LHA in City A did not administer any Section 8 assistance.)

Intake and Verification

In City A, applications for public housing are accepted through a central Tenant Selection Office. Applicants must supply information on household composition, assets, income, veteran status, and past public housing history. Documentation is required of all income and assets. Applicants may be required to submit marriage and birth certificates and proof of expenses. Disabled or handicapped individuals must submit a two page physician's report. Once an application is filed a verification clerk requests confirmation of income from employers or public assistance agencies.

Certificate and Benefit Delivery

When all documentation is complete the review clerk determines eligibility and computes the rent to be charged. Notices of eligibility (or ineligibility and right of appeal) are mailed to the applicant. Where all the required information is readily available, the application process takes about a week. Where there are delays it may take months.

Applicants which are income eligible but are considered risky by the clerks reviewing the applications are referred for review by the Director of Tenant Services. Where the applicant is a previous tenant and owes back rent, the arrears must be paid off. Of the cases referred, about a third are found "eligible with limitations", meaning the applicant can only be placed in developments meeting certain criteria, e.g., availability of neary-by supportive services for drug dependents, absence

of taverns near ex-alcoholics, etc. Only 10-12% of referrals are finally found to be ineligible. These are typically refused based on histories of sex offenses, child molestation, and recent violent crime.

Applicants are notified that they will be contacted when a unit becomes available. Due to housing maintenance difficulties the Authority is presently able to house only emergency cases. The development manager interviews applicants referred, and a lease is signed. Applicants have the right to refuse units offered them, but if they wish to be assigned to particular projects they must be placed at the bottom of the waiting list for that project (all projects currently have waiting lists).

Tenants receive a computer generated notice of rent due with a postage paid envelope for return mail. Tenants are advised to inform their local manager of changes in income and household status, and re-determinations and periodic status review are done by the local manager. After one year tenants or their managers may request transfer to another project. Formal procedures for evictions, grievances and rent abatements have been negotiated between the Authority and the Tenant's Policy Council.

WIN

Intake and Certification

In State A most Separate Administrative Unit (SAU) workers are co-located at Employment Service (ES) offices rather than welfare offices, though in several regions of the state both SAU and ES workers spend several regular days a week at the local welfare office. Efforts have been made to develop "teams" of SAU and ES workers to achieve consistent personnel contacts. The sequence of activity is as follows:

- Once the AFDC application is complete, the AFDC intake worker schedules mandatories and voluntaries for WIN ES interviews approximately one week later.

- At the ES interview the applicant is registered and interviewed by ES employment counselors and/or job developers. Where an applicant is not immediately referred to a job opening, an employability appraisal is conducted or scheduled. In some cases SAU workers participate and in others the SAU interview follows immediately.

- For registrants who may become active participants, ES then sends a request for certification of service provision to the SAU (check-off form) which must arrange for the required services and return the certification within 30 days before the registrant can participate.

Requests for medical exemptions are also forwarded to the SAU which must obtain the report and authorize the exemption. Exemptions are regularly reviewed in AFDC redeterminations.

Benefit Delivery

Priority in job referrals and training is given to UP registrants. In assigning employment for UP's, appropriate wages must be at least 120% of the AFDC grant (20% to cover loss of Medicaid, housing and food stamp benefits) and unemployment compensation standards are used as a base in adjudication.

Participants are assigned to existing WIN classroom training or OJT slots as determined in their "employability plans", or frequently placed in free or low cost education programs with external financing. Services are usually arranged through Title XX.

CETA

The prime sponsor has chosen to contract out all but administrative activities. Intake is done through neighborhood centers (partially funded by CETA) which refer potential clients to one of five assessment centers where they undergo a five to ten day series of tests including pre-screening, counseling, academic testing, and work sampling. At the conclusion of the assessment, a team consisting of a counselor, an assessor, and a social worker meet with the client to make a final determination and develop an employability plan. Participants are assigned to available CETA training slots in accordance with their employability plans and the priorities noted above.

All classroom and OJT is provided by contractors. These remain to a large extent the same agencies which were heavily funded under previous categorical manpower programs. These providers are somewhat reluctant to report to CETA, which in turn is pressing for greater control over contractor activities, particularly OJT monitoring.

4. Program Outcomes

AFDC

The AFDC caseload in Case A has increased more than 86% over the past five years. Between 1974 and 1975 the average monthly caseload rose 15.7% to over 106,000. AFDC-UP cases constituted 3.5% of these and

reflected a 75% increase over the prior year figures. Both the increases in UP and all AFDC cases were attributed to depressed economic conditions in the State. Over the year more than 56,000 applicantions were received, and more than 31,000 cases closed. Quarterly averages of cases pending certification were between 2,500 and 3,000.

While the total number of recipients increased to 6% of the state population, the increase in cases was slightly larger, reflecting a drop in the average number of children per case from 2.4 to 2.3. Total payments increased 25.4%, and represented 13.6% of all welfare department expenditures. However, the average annual payment per case rose only 8.4% to $3,821. At this level, though AFDC payments in State A are among the highest in the nation, the annual cash assistance is only three-fourths of the national poverty standard, and only 36% of the area BLS lower living budget.

Program Quality Control error rates, which have posed a problem for State A, were reduced slightly to 12.4% ineligibility, 23.8% overpayments and 9.9% underpayments. These are still far from the HEW standards of 3% ineligibility and 5% overpayments. It was felt that the move to a consolidated grant standard had helped to reduce errors and that prioritized redeterminations might further reduce error rates. A number of errors were traced to incorrect WIN classifications.

MEDICAID

The average Medicaid eligible monthly caseload in State A had also increased by 18% during FY1975. Of the over 340,000 cases, AFDC recipients constituted the largest group (31% of all eligibles) and had

a utilization rate of 74.1%, but at the lowest average payment per individual, $60.97 per month. Overall medical payments of the welfare department, excluding expenditures by the Department of Mental Health, constituted 42.9% of the department's expenditures. Of these 7% were for GR-eligible clients and therefore not eligible for Federal cost sharing.

The share of Medicaid payments to physicians decreased, reflecting the increased relative importance of clients and outpatient departments. Service utilization data for AFDC cases was not available.

TITLE XX SOCIAL SERVICES

Complete cost and service data on the first year of State A's Title XX operation were not available. However, data on services to individuals for the third quarter of FY 76 indicated that AFDC recipients constituted 61.7% of primary service recipients. The information reflects provision of service rather than an unduplicated count of persons, and it was suggested that AFDC families are particularly likely to receive more than one service. Other services provided by recipient type were: Income Eligible 11.6%, SSI Eligible 14.6%, Medicaid Only Eligible 7.9%, and Eligible Without Regard to Income 4.2%.

Day care services to children represented 34.5% of services; 85% of adult primary recipients were AFDC eligible, as were 94% of child primary recipients. During the quarter over 39,000 children received day care services, 83.7% of these were AFDC children, and of the AFDC children 79.4% were enrolled due to parental training or jobs. Overall 64.6% of the children received full time day care. Services by type of facility were:

In-Home Day Care	35.2%
Family Day Care Home	18.6%
Group Day Care Home	2.0%
Day Care Center	44.1%

However, AFDC children were slightly more likely to be cared for in-home (38.7%) rather than day care centers (37.5%), while income eligible children were overwhelmingly cared for in centers (92.9%). The concentration of income eligibles in day care centers may be traceable to the State's practice of allowing providers to determine eligibility and the greater likelihood that recipients identified by the centers will be only income-eligible.

FOOD STAMPS

Average bonus as a percent of total Food Stamp value is 53% in the State, and average dollar bonus per person is $19.10. 42-46% of participating households are non-PA. While State A's participation rate is very high as indicated above (estimated at 79-83% of eligibles and slightly more than 10% of the state population), the program has encountered legal and quality control difficulties traced primarily to inadequate staffing. Less than 70% of the required staff positions are filled, resulting in staff caseloads of over 700/month.

Quality control error rates for the last half of FY 75 were 52% ineligible and 27.4% over or under issuance. Food and Nutrition Service (FNS) acceptable error rates are 3% and 5% respectively. Much of the error is attributed to the sizeable recertification backlog. Accountability

and control procedures have had difficulty coping with the large number of issuing outlets, resulting in some sizeable losses of coupons and cash. Though measures are being take to address these problems, program administrators expressed the view that the Food Stamp program in general was of low state priority and that the major program focus was "getting the stamps out".

LOW RENT PUBLIC HOUSING

Two of the most striking aspects of the public housing in City A are the sharply divergent clsuters of project characteristics, and the extremely precarious LHA financial situation which results in inadequate maintenance and therefore long waiting lists for developments with high vacancy rates. LHA family projects house 5% of City A's population and 11% of its school age children. The percent of households with female heads in family projects ranged from 45% to 85.6%, contrasted with a city population if 15% female headed families. The mean family size was 3.11 in 1975 (city average size was 2.77).

The median family income of LHA tenants is $3,390, contrasted with a city median of $9,133. However, there are wide variations in income by project. Average project incomes range from below $3,000 to over $16,000. Thirty percent of families receive AFDC (14.9% of the city's AFDC caseload) and 79% of all families report no wage earner. AFDC families are concentrated in some projects; as a percent of project tenants they range from 9% to 62%.

Similarly, while non-white families comprise 44% of LHA tenants, their concentration in individual projects ranges from .5% of families to 94%. The median turnover rate was 16.3% in 1975, ranging by project from

4% to 30%. Ten percent of families have been tenants for over 20 years. Of 13,663 units available for occupancy, 14.2% were vacant (city wide vacancy for all housing is 6.4%). Vacancy rates by project ranged from .5% to 45%. Although there were waiting lists for all projects, it was explained that maintenance and repair were needed before vacant units could be occupied, and the projects with lowest turnover tended to have the largest waiting lists. Of over 11,000 family and elderly waiting list cases, 5,000 to 6,000 were estimated unduplicated.

The average contract rent in family projects was slightly over $59/month in 1975, contrasted with a city wide average rent of $126 in 1970; on the average 23% of tenant families were more than one month in arrears.

WIN

Of over 83,000 WIN registrants in the first 13 months of FY 76, 69% were female; 12% voluntary; and 2.3% were previous WIN registrants. Of the 7.5% of registrants who entered employment, 54% were female and 9.6% voluntary. These data reflect both the relatively large UP program in State A and the low voluntary participation. National female participation was 75%, voluntary (male and female) 28%, and 20.3% of national registrants entered employment. State A's low employment rate reflects in part the State's general employment outlook.

Most WIN employees (74.8%) found employment on their own rather than through ES placements, with 38.5% obtaining employment following Labor Market Exposure Only, and 50.5% from the unassigned recipient pool.

Average hourly wage for males was $3.66 and for females $2.68. Female wages were only 73% of male wages, lower than the national 82% rate for women in WIN. Thirty-seven percent of those finding jobs were employed in clerical, sales and other service industries, and 86% of the jobs were expected to last more than 30 days. The retention rate for WIN placements is 86%.

Sixty-three percent of unemployed registrants were unassigned, 7% were in institutional training, and 5% were in OJT. Seventeen percent of deregistrations (3,543) occurred because an individual was employed and moved off AFDC, and 3% were the result of sanctions.

WIN provides services for 90 days following employment. Availability of day care, state-wide, is not a problem. Over 1,000 WIN recipients received services in the third quarter of 1976. These were identified as primarily day care and case management services and included day care for over 2,000 children. Other social services were obtained through Title XX. Though SAU workers handle only WIN cases, the positions are included in the State Social Service budget and in the face of a State hiring freeze have had very low staffing priority. Currently 36% of the SAU positions are unfilled. State budget ceilings kept FY 76 WIN SAU expenditures well below the available Federal funding limit, and increased WIN reliance on Title XX for services.

CETA

State-wide, 32% of State A's federal CETA funds in FY 75 were obligated under Title I, with 59% under Titles II and VI. Fourty-four percent of Title I participants were enrolled in work experience, 28% in classroom training, 6.3% in OJT and 3.7% in PSE. Ninety-eight percent of Title II participants were enrolled in PSE.

The Prime Sponsor in City A identified a target population that was 55% female. Of the 3,597 (out of 15,000) applicants accepted for CETA Title I training, 60% were female, 45% female heads of families. (The percentage of total applications from female heads of families was estimated at 30% of the total, yielding a training acceptance rate of 36%.) Thirty-five percent of CETA trainees were placed following training, of whom 53% were female. Placement occupations and salaries were as follows:

Placement by Occupation	Male	Female
Operatives	25%	-
Craftsmen/Foremen	20%	-
Service	10%	18%
Clerical	20%	75%
Prof & Tech	5%	-
Miscellaneous	20%	7%
Placement Salaries	$311-355 per month	$305-311

Female trainee placements have been found to have roughly a two-times higher retention rate than males. However, those men who are still working at the end of the 30-60-90 day follow-up cycles are more apt to have been promoted while women remain in the entry level positions.

The much larger PSE programs funded under Titles II and VI have not been as open to women, in part as the result of strong veterans priority in an area of high unemployment.

5. Agency Administrator Views on Program Adequacy

Program personnel were both generous with their time and helpful in explaining the program activities and complexities described above. In addition they were most forthright in addressing the question of program adequacy in meeting the needs of female family heads with children and the issues of modifications and alternatives. Their views are briefly noted below.

AFDC

While the benefit limitations of the program were acknowledged, administrators reminded us that it did keep many people alive. On the other hand, the program's categorical restrictions limit the assistance available to single individuals and two-parent families. The exclusion of UP from the $30 and 1/3 earnings deduction and categorical linkages with Medicaid were cited. State A is not enthusiastic about national IV-D Parent-locator legislation, feeling it denies a woman free choice in taking court action, and is strongly opposed to the "bounty" incentives to states. The rising costs of day care and the program conflict created between AFDC, where Federal participation is only 50% but is not subject to the Title XX ceiling, and Title XX, within the ceiling but reimbursed 75% by the Federal government, were also noted. Shelter costs, availability and security in high risk areas were listed as pressing unmet needs of FHF/wc.

MEDICAID

Problems cited with reference to the Medicaid program were the lag in updating medically needy eligibility standards to AFDC cost-of-living increases, the lack of coverage of non-categorically linked GR recipients, and inadequacy in EPDST outreach. With respect to the latter, employing AFDC mothers was the suggested strategy; with respect to the former, universal equal access to National Health Insurance was favored. It was noted that the State was shifting to what was seen as a more appropriate focus in trying to control program costs through providers rather than restrictions on eligibility.

TITLE XX SOCIAL SERVICES

While Title XX was seen as a positive step in social services provision, individuals in State A identified several limitations in the present State program and desired directions for change. The strong private provider community, specifically the day care and mental health lobbies, were felt to be too dominant in planning, hearings and practice. There was a felt need to reduce private service overlaps and increase accountability to the Welfare Department. The pressure on private providers created by shrinking foundation dollars and need to bid competitively for XX contracts and redesign services for Title XX eligibles, rather than dwindling numbers of traditional clients, were seen as vehicles for such change. Several present unmet service needs were identified: for community residential mental health, services to the physically and developmentally disabled, battered women and homeless men. There was

some concern that the "easier" cases were being served and about needs for service data tracking, evaluation and determination of unit costs. The "overselling" of day care was felt to have reduced the poor FHFs/wc real option not to work and reduced the availability of support systems and services for such a choice.

FOOD STAMPS

While Food Stamp personnel recognized the benefits of the bonus value to the State and the positive public attitude toward Food Stamp recipients as opposed to welfare clients, they were plagued by current operating problems and predicted the program would be cashed out eventually. Despite the substantial outreach program, outreach was perceived as slow FNS priority. Though some of the causes of the State's problems were recognized as staffing, training, and reliance on Assistance Payments personnel, corrective action was not seen to be likely, barring a crisis. Crisis was defined as federal financial sanction that actually materialized (a similar attitude toward AFDC error rates was expressed). Though the regional office sympathized with the State's preference for simplified application, certification and standards, they were unable to respond given the national program design.

PUBLIC HOUSING AND SECTION 8

Public housing was recognized as the housing of last resort and therefore housing in which FHFs/wc were overrepresented. High concentrations of children tended to create problems which provided little incentive for age group mixing in the projects. The need for corrective

investment in older developments, such as City A's, was widely recognized but not encouraged by HUD standards of low management cost per unit. Older properties, declining rent receipts (partially the result of the Brooke amendments), lower maintenance, higher vacancies, vandalism of vacant units, and lower operating subsidies were all seen as interacting to result in eventual receivership or reversion of properties to HUD. City A's situation is exacerbated by serious racial disturbance which has increased vacancy rates and vandalism. Limited HUD "soft money" and local political preference for spreading community development funds across many areas of need limit additional resources. Program personnel felt strongly that, having made sizeable initial investments, the housing cannot be "abandoned" and since needs for housing remain substantial, adequate resources should be committed to upgrading the properties, with the eventual goal of transforming some to cooperatives.

The outlook for Section 8 and Community Development Grants (at least as vehicles for improved planning) was less pessimistic. Section 8 was seen as most beneficial as an income transfer program for the working poor, enabling them to remain in preferred present accommodations. The "overrepresentation" of very low income families in early certifications was traced to high rates of referral from social agencies.

Need for better coordination with programs of other departments was noted in the examples of Title XX at the local level and Food Stamps at the national level.

WIN

Two major design flaws identified in the WIN program were the mandatory registration of pregnant women and the exclusion of UP from the 30 1/3 deduction. It was suggested that higher wage rates and better jobs were sought for UP as a result and noted that as UP placements, without 30 1/3, result in the biggest "welfare savings", that WIN funding allocations favor those states with high UP placements, and that UP priority is a possible violation of Title 7 of the Civil Rights Act anti-discrimination provisions.

Positive aspects of the program which were endorsed were based on the need to provide preparation and alternatives to having another baby for the older women about to lose AFDC eligibility and on the linkage the concept provides between welfare, social services and employment. However, the feasibility of realistic employment opportunities for AFDC recipients in a national labor market with 7% unemployment was questioned. Moreover, the availability of appropriate jobs for registrant skills or consistent with WIN training was doubted. A need for planning which targeted on industries with growing opportunities was identified. Given the present economic environment, program officials felt that mandatory registration does little but deny freedom of choice without actually providing economic opportunities. Need for increased coordination between service and manpower programs and with economic development funding was stressed.

CETA

While CETA was credited with eliminating the duplication of the categorical manpower programs and permitting more local flexibility, it was noted that services targeted to the needs of categorical groups, for example specialized outreach, had been lost. Administrators felt that

in order to have their needs addressed and programmed for, FHF/wc must become politically active in the CETA planning process and power structure. This approach had been successfully implemented in the City A prime sponsor (categorized by some as a pork barrel). Further orientation of field staff was identified as a necessary step in securing more non-traditional placements and training of women. It was felt that the recent state priority on developing linkages with WIN had been necessary to begin to move CETA in that direction. Further needs existed to coordinate CETA activities with overall state economic development strategy, to provide avenues for PSE worker transition to civil service employment, and to gain better control over contractors who had previously functioned independently in the manpower funding system.

STATE B: MEDIUM AFDC/MEDICAID BENEFITS

STATE B: MEDIUM AFDC/MEDICAID BENEFITS

1. Program Structure and Interrelationships

In State B the Department of Public Welfare is responsible for the administration of the AFDC, Title XX social services, WIN social services, and Food Stamp programs. Its six regional offices oversee the actual administration of the programs by 93 county welfare offices and 8 multi-county units. Salaries of county employees are paid by State and Federal funds as are all program costs except for 20% of Medicaid expenditures, which must be financed by county levies, as are welfare office overhead and county General Relief costs. Though local welfare offices perform intake for all of the above programs, Title XX social service personnel are co-located in only 63 sites. The Food Stamp program has 90 project offices, only some of which are co-located with welfare offices. There are four WIN projects in State B, therefore only four Separate Administrative Units (SAUs).

The State Department of Labor is responsible for the employment and training aspects of the WIN program in the four project areas, and for the Balance-of-State CETA project. There are two other CETA prime sponsors in State B. Both WIN and CETA provide many social services to participants from their own funds with little linkage to Title XX. Coordination between WIN and CETA varies for different project and prime sponsor areas.

Of the 80-to-100 public housing authorities which administer public housing in the State, many are small (20 to 30 units) and focused on the elderly population. The largest PHA also administers the only Section 8 units so far authorized in the State.

2. Program Eligibility, Benefits and Rationale

AFDC

Eligibility and Benefits

State B has extended AFDC eligibility to unborn children and has an AFDC-UP program. Families may own a home valued at less than $25,000. Tools and materials used to produce income are exempt to a value of $3,000, as is life insurance up to a face value of $1,000 per person. Other assets may not exceed $2,000 for the family unit.

The need standard for a family of four is set at $330/month; the maximum payment in State B is $210 for the first child and $42 for each additional child, or $294 per month for a family of four.

In determining eligibility the State disregards from income work related expenses of $25 or actual cost, whichever is greater. Day care costs are expected to be paid from Title XX rather than by the client as work related expenses. Children's earnings are also disregarded. The remaining income is applied to the State need standard. The grant payment level is determined by countable income, disregarding $30 plus 1/3 of earnings and training allowances. Actual grant is the lesser of deficit between the full standard and income or the maximum payment standard for that family size. The present payment standard in State B is 89.1% of the need standard.

Rationale

The relatively high standard of need in State B was adopted in moving to a consolidated grant. All special need grants were included in averaging the previous benefits and then a high standard was selected so

that only 1% of the cases would loose a portion of benefits as a result. The lower payment standard results from legislative appropriations for the 50% State share of funding. The legislature's general practice is to increase appropriations slightly every other year.

The higher resource exemptions in State B compared to States A and C enable the program to be responsive to the overall and seasonal needs of its largely rural farming population.

The AFDC-UP program was adopted to ease the financial burden of General Relief on one large urban county. The UP caseload averages 40 to 60 families, primarily from this county.

State B has had a IV-D program for two years, and relies heavily on the efforts of county enforcement, which have traditionally been strong.

Little concern was voiced about the size or cost of the AFDC program. State B's population is quite stable and there has been a slow decline in the number of AFDC families over the past two years. State B was characterized as having a "strong work ethic" and program administrators felt families turned to AFDC assistance reluctantly as a last resort.

MEDICAID

Eligibility and Benefits

While State B has somewhat restricted SSI-related Medicaid coverage, all AFDC recipients and AFDC related medically needy are eligible for all services. Upper limits for medically needy family eligibility are:

Family Size	Net Income
1	$ 2,520
2	3,024
3	3,528
4	4,032
5	4,536
6	5,040
7	5,544
8	6,048
9	6,552
10	7,056

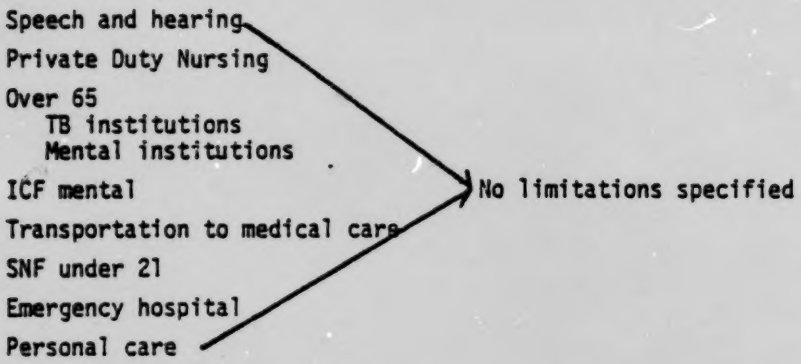
For each additional person, add $600

Non-AFDC or SSI aided families must spend down with medical expenses to the income limits above.

No fees or co-payments are charged and all services are available to all participants. The services covered by Medicaid and their limitations are as follows:

Inpatient Hospital	Limited to 14 days for psychiatric hospitalization. (MD can request extension to maximum of 30 days. 12 month count begins when hospitalized.)
Outpatient Hospital	Hemodialysis or renal transplant - chronic patients only. Psychiatric requires prior agreement with hospital.
Physicians' Services	No payment for experimental drugs or procedures. (Prior authorization required for ileo-bypass surgery.) SNF influenza shots must be by nurse (no MD payment).

Podiatrist Services	Covered: inside and outside shoe correction. Prior approval: functional appliance, plaster cast for functional appliance.
Optometrist Services	Intraocular or chronic eye disease care must be provided by MD. Visual training (orthoptics) require prior authorization.
Osteopath Services	Maximum fee limits for each service.
Home Health Services	Medical supplies for use in home: appliances and devices must be recommended by licensed practitioner if over $250 prior approval; air conditioner approval; must explore rental or loan first.
Clinic Services	Community mental health restricted to county mental health clinics. Chemical dependency treatment units - state must have agreement with clinic.
Dental Service	Prior approval required for costs over $200 and orthodonia, surgery, hospitalization, dentures.
Physical Therapy	Licensed therapist and medical referral, maximum fees for time and services.
Prescribed Drugs	Exclude experimental drugs, liquors, weight control, lack HEW/FDA approval, only on prescription, medicine chest supplies come out of maintenance allowance.
Prosthetic Devices	Physician's recommendation, prior approval for over $250.
Eye Glasses	Prior approval, other 3rd parties billed first, customary charges, 1/year, one pair only, no sunglasses, limits on how minor the correction can be.
Other Diagnostic	Licensed psychologist diagnostic testing ordered by MD.



Coverage is extended for three months prior and three months after the period of AFDC or SSI receipt.

Rationale

State B's generous Medicaid program was adopted in a tradition of relatively comprehensive State medical assistance, concern in response to some political pressure for the needs of the large elderly population, and some misapprehension of the program's cost. Because of the sizeable elderly population, the program is unlikely to be cut back. However, administrators have successfully used the wide coverage to effect the geographic distribution of services and the provider and service configuration of the State's health resources.

The Medicaid program is closely coordinated with the State's well developed Catastrophic Illness and Crippled Children's programs. There has been county pressure to have the State fund the 20% of program costs the counties presently bear. Such a change was not anticipated, however, as State administrators felt the fiscal obligation was a strong impetus for county cost-consciousness.

TITLE XX SOCIAL SERVICES

Eligibility and Benefits

Receipients of AFDC, SSI and Medicaid only are eligible for all Title XX services. In addition, persons whose gross family income does not exceed 44% of State median income are eligible. No fees are charged to these recipients. Day care services on a fee paying basis are available to families with incomes between 44% and 62% of the State median, where parents are working, in vocational training, or incapacitates. Fees are charged on a sliding scale related to income. In accordance with national requirements, Information, Referral and Protective Services are provided without regard to income.

Fourteen types of services are provided. Alternate funding has been found for alcoholism services. The proportion to be expended for day care has increased from 22% in the FY 76 plan to 24% in FY 77. Case management, information and referral and some day care and homemaker services are provided by county employees. Other services are provided through contracts with providers. All services are provided thoughout the State.

Rationale

The 44% of State median level for income eligibility for free services was set on the basis of examination of past service program costs and estimates of potential population that could be served without increasing costs. Higher day care limits were adopted in response to community political pressure (a march on the capitol by providers and parents) and in recognition of the need for day care and the role that previous Social

Service payment rates and standards had played in increasing day care costs to everyone. Fees were implemented both to make services to the larger population financially feasible and to "impose some cost sharing" on the clients.

The scope of services provided are for the most part extensions of those funded under earlier categorical programs but, within its ceilings, the State is attempting to rationalize services to expand those addressing unmet needs for transportation and adult meals. The existing State commitment to Mental Retardation services was perceived as a constraint on available resources.

FOOD STAMPS

As in all states, national eligibility criteria and benefit levels are applicable in State B.

LOW INCOME PUBLIC HOUSING AND SECTION 8

Eligibility and Benefits

Detailed data on the distribution and eligibility for low income housing throughout State B were not available. In City B, income limits for admission to public housing range from $4,800 for a family of one, $6,500 for a family of four, to $8,300 for a family of ten or more. Limits for continued occupancy are $6,000 for a family of one, $8,125 for four, and $10,375 for ten or more. Allowable assets for admission and continued occupancy are $10,000 for families and $17,500 for admission of elderly. The deductions from income and calculation of rent are identical with those described for State A federal projects.

Within the objectives of mixing income and meeting the Federal requirement of 20% very low income tenants in each project, priorities for assigning applicants are: displaced families, veterans, disabled, housing emergencies, need, and family size. After rejecting three assignments, families may be placed on a waiting list for the project of their choice. Elderly families have preference for 46% of the PHA's units. Some of these elderly restricted units are located in the Authority's family projects. Numerous services, including day care, Food Stamp outreach and mobile sales units, transportation and nursing care are provided in the projects, for which the PHA has frequently donated space.

Eligibility for Section 8 assistance is bound by national standards. 300 units were assigned to City B's PHA and 175 have been occupied on a first-come, first-served basis, through an application and verification process. The authority currently has 700 units of leased housing it plans to convert to Section 8.

In addition to public housing and Section 8, there are 543 units in private developments in State B receiving rent supplements.

WIN

The eligibility for and benefits of the WIN program in State B do not differ significantly from those in State A. 20% of the population are excused for lack of reasonable access to one of the four WIN projects (offices). However, State B identified no categorical priorities for placement or service. WIN pays for day care on an hourly basis in contrast to the Title XX daily rates. WIN training programs are limited to six months; State approval is required for an additional six months. On a case by case basis, attempts are made to identify non-traditional placements and OJT opportunities for women.

Rationale

The training limitations are traced to the national priority for placements over training. SAU funding is perceived as a constraint on State WIN activity. This constraint has limited expenditure of DOL allocations to only 70%.

CETA

Eligibility and Benefits

The local CETA prime sponsor visited in State B has not identified female family heads or women as a significant segment; however, economically disadvantaged are listed as the first priority group for Title I and welfare recipients are the second major priority group for Titles II and VI, though there is no priority per se for WIN enrollees.

Prime sponsor policy is to enroll all CETA eligibles who are not job ready, in contrast to many other CETA projects where those with the greatest chance of program success become participants. Job ready applicants are referred by CETA intake workers, who coordinate closely with local ES services, either directly to listings in the ES job bank or to a short intensive job finding skill and development component. Those who are not considered job ready are enrolled as trainees.

The prime sponsor offers a variety of relatively traditional OJT contracts varying between four and seven months. Basic education is provided directly while more advanced classroom training and vocational education are available from contractors. Waiting lists are maintained for some components, and when these become too sizeable the intake process is temporarily closed.

The Prime Sponsor provides a variety of supportive services including physical examinations for all enrollees, with glasses and other corrective measures provided free if necessary, day care arrangements and fees, transportation, emergency loans up to $100, food, clothing uniforms, etc. Where trainees are WIN registrants, CETA supplements WIN services. To date there has been no significant effort to coordinate services with those provided under Title XX or Medicaid. The most frequently used services are transportation and medical (frequently required for job hires). Efforts are made by CETA staff to prepare enrollees for the transition to alternative service providers following employment, and to identify non-traditional opportunities for women.

Rationale

The Prime Sponsors extensive program is based on an articulated perception of its function as one of moving eligible disadvantaged and unemployed individuals into unsubsidized employment by providing comprehensive manpower and other necessary services under a single administration. This comprehensive view explains why the Prime Sponsor provides many services directly rather than through Title XX.

3. Program Operations and Procedures

AFDC

Intake

The AFDC application process in State and City B in many ways parallels that in State and City A. However, on initial contact the applicant is not given the complete application form. Instead she/receives (frequently in response to a phone inquiry) a pre-printed form noting the

time and location of the intake interview and a list of the documentation that must be provided. In addition to the documentation required by State A, State B requires two forms of identification for all family members (e.g., records of immunizations and birth certificates).

At the interview the intake worker and applicant fill out the six page, 34 item application together. An additional four pages are appended which present information on recipient rights and obligations, WIN, Family Planning, EPDST, Social Services and Food Stamps, with space for the individual to check whether these benefits are desired. The intake worker also explains the Medicaid program. If the applicant is a mandatory registrant, the intake worker schedules an appointment with WIN. For day care requests, a referral form to the Social Services Unit is filled out. Applicants for Food Stamps must complete an abbreviated Food Stamp application. If the household configuration does not fit Food Stamp PA definitions (includes non-recipients) then the applicant is referred to the Food Stamp non-PA office. Frequently (98% of the time) all of the required documentation is not brought to the first interview and a follow-up visit must be scheduled.

At the time of the site visit, national IV-D requirements had not been fully implemented; however, intake workers would attempt to obtain the address of an absent parent to forward to the child support unit. Where women refused to disclose a father's name, arrangements were made for a protective payee to receive benefits on behalf of the children.

Verification and Certification

In State B, these functions are performed by intake workers and customarily involve a home visit. Verification of employment and income is requested from employers, home values are verified with the county legal office, and banks are requested to verify applicant accounts.

The intake worker completes a payment computation budget, certifies the grant, and a public assistance data report is forwarded to the State computerized data service which mails grant checks to recipients.

Recertifications

Recertifications are performed every 6 months (with a mailed update every 3 months) by Income Maintenance workers to whom cases are transferred following the initial certification. The same form is used. Changes in a client's situation must be documented. For unchanged circumstances, prior certifications are referenced. In any case, recertifications are supposed to include a home visit. Clients are warned that "justifiable cause" is required for leaving employment or else the number of persons in the budget unit will be reduced and the mother's benefits withheld. Caseloads average 130/worker.

MEDICAID

State grant data files automatically validate a recipient's Medicaid eligibility. For Medicaid Only applicants zero grant records are filed. All recipients receive a Medicaid identification card (linked to claims processing data control) which is updated on a monthly basis by the stub of the AFDC or SSI grant check (or dummy for Medicaid Only recipients) and indicates eligibility to providers.

Requests for 'prior approval' for limited services are made through Income Maintenance workers. State B is in the process of implementing a sophisticated payment data system. All claims were previously forwarded through county offices. Now all billings are made by providers directly to the State from which counties receive a monthly print-out of activity.

TITLE XX SOCIAL SERVICES

Applicants are referred to Social Services Intake following eligibility determination by Income Maintenance. Income Eligible applicants complete a simple two page form listing income by source, which is accepted on a declaration basis. However, the client is responsible for providing documentation within 30 days. No additional eligibility procedures are required for AFDC recipients.

Service intake workers interview all clients and arrange appropriate services. Then cases are forwarded to service workers who monitor cases on an ongoing basis and redetermine eligibility every six months. For those clients who receive day care services on a fee paying basis, the client's share is figured from predetermined schedules by family size, number of children in care, income, and type of provider. For example, a FHF/wc with one child in care with a $450/month income would pay $1.49/day of the total $6.50/day center care charge, and the same amount for the $5.00/day in-home care charge. For a family of three with one child in care, the family share of the fee would be $1.08/day. The family must pay the provider directly. The Welfare Department does not act as an intermediary.

Resource development units in the county social service offices are responsible for identifying and contracting with local service providers for most of the Title XX services. At the State level an extensive computer operation tracks service utilization. This file is being expanded to include eligibility documentation.

FOOD STAMPS

In State B outreach has not been as exhaustively or systematically pursued as in State A. A State outreach coordinator was hired as the result of a court order and now attention is being focused on the elderly and Native American populations, and the use of volunteer organizations and media has increased. A most effective form of "outreach" was described as the expanded emergency participation following a natural disaster.

While Public Assistance recipients are automatically eligible, non-PA applicants file applications at local welfare offices; one county maintains three additional separate Food Stamp intake offices. The information and documentation required is similar to State A. Applicants are provided a list of necessary documentation; personnel indicated the burden of proof rested on the applicant. In completing the eligibility, allotment, and bonus worksheet the Food Stamp worker may request verification of income by mail. Cancelled mail is usually accepted as proof of address, though sometimes home visits are made.

Once certification is completed within the required 30 days, identification and ATP cards are issued. Only one county has a computerized system which produces ATP cards within 5 days of certification.

ATP cards can be mailed or picked up by the participant. There are provisions for emergency issue of ATP cards for zero purchase, or with payment from county GA or Veterans funds. Coupons may be purchased in weekly, bi-monthly, or monthly allotments. Purchase outlets are generally limited in most of the State to county welfare offices. The largest county, however, uses in addition three banks, a credit union and several mobile units. Public assistance withholding and mail-outs have not been adopted, though several cases of mail-outs in sparsely populated counties were described.

Recertifications are required as determined by food stamp personnel. In general, public assistance households are recertified every six months, others every month to 6 months, migrant workers most frequently.

LOW RENT PUBLIC HOUSING AND SECTION 8

Application and processing for public housing functions in much the same way in City B as in City A. However, verification procedures appear more extensive. As routine procedure, employers, public agencies, courts, landlords, and banks are contacted. Home visits are frequently made. Vacancies and waiting lists exist in City B, but these are due to applicant preferences and unit size required rather than the public housing maintenance problems noted in City A. If an applicant remains on the waiting list for more than 30 days, eligibility is re-examined.

The authority has strict standards regarding rent arrears and poor past rent history. In addition, applicants may be rejected, with hearing rights, after review by the Management Director for recent serious crime, violent behavior, drug addiction, rape, sexual deviation, or other attributes that might prove detrimental to a project or its residents.

Tenants receive a rent notice on the first of the month. They may pay either in person or by mail. If rents are not payed by the 8th of the month, residents are charged a $5.00 administrative fee. Seven days later a legal eviction process is initiated and court costs are charged to the tenant. If rent payments fall behind three times in a year the tenant is evicted. Redeterminations are made by the PHA when there are changes in household status or income, and regularly on an annual basis.

Applicants for Section 8 must also complete a verified application form. When the household is certified, the applicant seeks housing in the private market. If the landlord consents to participate in the program, a lease is negotiated between the landlord and the applicant. The PHA must certify that the unit meets code standards. The PHA sends the assistance payment (the difference between the negotiated rent at fair-market rates and 25% of the tenant's income after deductions) directly to the landlord each month. This process involves considerable paperwork (the City B PHA indicated 32 forms), including application, certification, request for lease approval, housing assistance payments contract, monthly certification of continued residence, etc. Applicants may simultaneously be on waiting lists for both public housing and Section 8.

WIN

Employment Service and SAU workers are co-located in the two smaller project areas, in one case in the welfare office. In the two major projects the SAU is co-located with the Title XX Social Services Office. As in State A, AFDC intake workers refer mandatory and voluntary registrants to WIN based on employability judgments. In two locations

ES registration, appraisal, labor market exposure and job search are completed in one interview. National WIN handbook criteria for employability are used. For active participants the ES-SAU-client conference and employability plan follow.

Training programs are primarily for clerical, LPN, and service occupations. OJT contracts are negotiated on an individual basis rather than for a prearranged group of WIN slots. Coordination between WIN and CETA has been most successful in the three smaller project areas. In the fourth (City B), WIN was low on the prime sponsor priority list and no efforts were made to coordinate the resources and needs of the two programs. As the result of general regional and national pressure, WIN trainees are expected to receive higher priority in FY 77. However, no formal or informal coordinating mechanisms are planned.

Some attempt is made to coordinate WIN service needs with Title XX, however, most WIN services continue to be provided by the SAU. Transportation poses a sizeable service problem.

CETA

An applicant entering City B CETA intake completes a one page record covering employment, income and socio-economic status whether training or job placement is desired. Job applicants also fill out a job history "application form" which is transmitted to Manpower Services Unit of CETA. Training applicants fill out a medical registration and information release form. They receive information on training allowances and rights of appeal. A list of all participants is sent to the local welfare office, which then identifies all AFDC enrollees for its own files. WIN or AFDC participants are not asked by CETA to identify themselves.

All trainees receive a five day orientation, including some basic testing, following which an employability development plan for skill training is constructed with a CETA manpower specialist. Clients who wish may undergo the Singer Assessment contracted by the sponsor without being identified as CETA participants.

4. Program Outcomes

AFDC

After increasing significantly between 1965 and 1972 to a peak of over 12,000, the AFDC caseload in State B has declined. In FY 75 the average monthly caseload was 11,891, of which AFDC-UP cases constitute .2%. The average State length of stay for a family on AFDC is twenty-three months. Average number of children per case fell from 2.5 in 1973 to 2.3 in 1975.

However, total AFDC expenditures role in FY 75 by 20% as a result of a legislative increase in the payment standard and represented 20.6% of all Welfare Department costs and 24% of program costs, with an average annual payment of $2,194.92. Average family payments rose again in FY 76. The present maximum payment for a family of four, $3,528, is only 70% of the national poverty standard. State data indicate that 35% of AFDC mothers are employed.

State B's Quality Control error rates are lower than in State A; errors include 6.8% ineligible, 13.5% overpayment, 8.4% underpayment; however, they are more than twice HEW standards. Errors were attributed to the difficulties in training workers in income and resource definition and verification in contrast to earlier practices of declaration of income by applicants.

MEDICAID

Medicaid costs have risen steadily in State B, with inflation in cost of services contributing the major share of the increase. Overall medical payments constituted 45% of total Welfare Department expenditures and 53% of program costs. Of the unduplicated number of recipients (70,192), AFDC adults and children constituted 61%.

However, only 18.5% of Medicaid expenditures were for AFDC recipients, with the balance for SSI related and Medicaid Only eligibles (19% of all recipients), mostly aged and disabled. The pattern of service utilization for the AFDC population contrasted sharply with the overall pattern of Medicaid services. The major services received by AFDC families were inpatient hospital (40%), physicians' services (21%), and dental (11%), while 41% of all state expenditures were for costly long-term care services in ICF facilities serving primarily the elderly.

TITLE XX SOCIAL SERVICES

Only limited data on the first year of Title XX operation in State B was available. The monthly report for May 1976 reported that 44.8% of contracted expenditures were for family services, of which day care accounted for 98%. The average monthly expenditure per child for day care was approximately $79. Eighty percent of the expenditures were for AFDC families, but program administrators indicated that AFDC eligibles constituted only 52% of the recipients. Contracted day care accounted for 96% of all day care, with county employees providing the rest. Program data from the second quarter of the fiscal year indicate 84% of care was full time and 60% provided in licensed private homes.

Homemaker and transportation were the other family services provided, while Chore, Alcoholism, Meals and Homemaker accounted for the roughly 22% of total expenditures for adult services. Mental retardation services claimed 33.4% of expenditures.

FOOD STAMPS

In 1975, the average Food Stamp bonus as a percent of total value was 56% in State B, and average dollar bonus per person was $19.09. Sixty-two percent of participating households were non-public assistance. While total households participating in 1976 remained constant, the proportion of non-PA households rose slightly.

The program's coverage of potentially eligible households could not be ascertained. However, unlike the other programs reviewed here, participation was spread across the State rather than concentrated in the major population center, City B. Administrators estimate a participant turnover of three to four times per year, in part resulting from the influx of migrant labor. The current Quality Control reviews reflect an error rate of 8.8% ineligibles.

LOW INCOME PUBLIC HOUSING AND SECTION 8

In 1976, 72% of tenant families in City B's family projects were headed by females. Another 16% of the units in the three family projects were occupied by single elderly women. The average family size in the projects, 1.6, reflects the effect of elderly individuals and couples.

Data on tenant income was not available, but it was estimated that 50% of tenant households in the family projects received AFDC benefits. While minorities comprise 12% of the surrounding population, their concentration in public housing was 60%. Data on length of tenancy was not available. Total vacancies in family projects were roughly twice the PHA waiting list. Competition with other subsidized housing, built under Section 236, was cited as one cause of vacancies, the location of one project (with a 35% vacancy rate) in an isolated high risk area as another. In order to reduce vacancies the PHA has launched an "image changing" campaign. HUD TPP funds have also been invested. It was explained that families nevertheless remain on the waiting list for units of appropriate size or in preferred locations. The average tenant rent for all PHA units is $57.70.

The operating subsidy of the PHA is only 25% of total costs. This was attributed to the strict eviction policies. As another policy, 25% of PHA staff are residents. Presently the Authority employs 30 CETA workers.

Nine hundred applications were received for the 300 Section 8 units administered by the PHA. 58.6% of the certified families have found housing, 64% of which were in one bedroom units. Elderly recipients have been most successful. Families requiring larger units are still looking.

WIN

Of 8,000 WIN registrants in the first 13 months of FY 76, 90.5% were female, 41.2% voluntary, 2.6% were previous WIN registrants. Of the 9.6% of registrants who entered employment, 91.6% were female and 40.2% voluntary (FHF/wc cannot be identified). These data reflect a distinctly different trend than in State A. In State B, the UP program is very small, and voluntary WIN participation is quite high.

Roughly half (54.3%) of WIN employees found employment on their own, a lower percentage than in State A, or the nation as a whole; 10.2% found jobs following Labor Market Exposure, and 31.4% entered employment from the unassigned recipient pool. Average hourly wages were $2.85 for males and $2.36 for females. Fifty-three percent of the jobs were in clerical, sales, and other service industries (higher than State A), and 67% of the jobs were expected to last more than 30 days. The retention rate for WIN placements is above 80 percent.

Fifty-one percent of unemployed registrants were unassigned, 4% in institutional training, and 3% in OJT. Three percent (110) of deregistrations occurred because an individual was employed and moved off AFDC, and 4% were the result of sanctions.

The participation of WIN volunteers has increased due to cutbacks in some county-funded alternative work programs. Volunteers were characterized as more interested in training programs than mandatories, who primarily sought employment. As reported in State C, younger registrants are more successful in WIN, a fact attributed to their shorter AFDC histories.

WIN officials emphasize that WIN indirect placements average 17¢ to 40¢/hour higher wages than direct ES placements. However, wages are sufficiently low that few placements are totally removed from AFDC. Though PSE opportunities are not substantial due to civil service constraints, at the county welfare office visited 25% of staff were recipients. Efforts at non-traditional placements for women have resulted primarily in upgrading (e.g., from file clerks to executive secretaries) within traditional occupations, though some cases of employment as real

estate appraisors and welders were mentioned. In general, employers were felt to be more receptive to the idea of women in non-traditional jobs than WIN participants themselves.

CETA

Statewide, 59% of State B's federal CETA funds in FY 75 were obligated under Title I. Fifty-eight percent of Title I participants were enrolled in work experience, 34% in classroom training, 4.6% in OJT, and 3% in PSE. All Title II participants were PSE enrollees.

In accordance with the policy of City B's prime sponsor, all applicants become participants; 62.5% of these were enrolled in training. Of all participants, 55% were female, 22% of all participants were FHF/wc, a relatively small CETA resource for FHF/wc. Approximately 9% were AFDC recipients. Fifty-six percent of those who entered employment were women.

The average length of training is eight months. Women are more likely than men to enroll in classroom training, while men select the more expensive union affiliated training courses. Program personnel were of the opinion that this in part resulted from the pressing financial needs of male enrollees.

Sixty-eight percent of female enrollees did not use day care services; roughly 60% of all female enrollees do not have children. Family care, pregnancy, and health problems are the most frequently cited reasons for female non-positive terminations. Employment rates for AFDC terminations under all titles are slightly lower than those of all participants.

Non-traditional placements for women have included the building trades and heavy equipment operators. Some participants were reported to have been reluctant to become as geographically mobile as those occupations may require. As in State A, retention records are better for female placements, but promotions and upward mobility are more limited than for comparable male placements. Male-female salary differentials were not said to be large at the typical entry level of CETA placements.

5. Agency Administrator Views on Program Adequacy

As in State A, staff in State and City B were both generous with their time and candid in expressing concerns. Their views on program issues are reported below.

AFDC

Administrators in State B echoed the general concerns about the discriminatory $30 and 1/3 deduction and about IV-D requirements. In their experience absent fathers had typically acquired a second family, and requiring support for the first placed the second in need of assistance. In attempting to forecast AFDC caseloads, marital disruption was clearly the major factor adding cases while marriage (and to a much lesser extent, moving out of the area) was the vehicle for moving off welfare. There were no real seasonal fluctuations in caseload, which moreover correlated negatively with unemployment. Both state and county personnel described county administration as more a form than a reality, but though the State favored moving to State administration (which would allow it to close welfare offices with caseloads of two families and replace them with

itinerant welfare workers), it felt the counties would then balk at continuing to bear 20% of Medicaid costs. With respect to national policies, the administrators favored a national payments floor with regional variation -- but begged for a respite from minor program changes.

MEDICAID

Though all interviewed were very pleased with State B's Medicaid program, they highlighted several problems arising from the State's population pattern. Providers were maldistributed and particularly scarce in the lightly populated areas. Sometimes for reasons of distance and sometimes because of type of need, clients had to be transported to out-of-state providers. Transportation also inhibited EPDST efforts, though the State managed to screen 30-40% of eligible children. The substantial elderly recipient population creates an urgent need to develop alternatives to institutional care for adults and it was felt that more evening clinics might be needed for working FHF/wc. It was pointed out that Medicaid had no real outreach other than Public Assistance; and that National Health Insurance remained a great unknown.

TITLE XX SOCIAL SERVICES

State B was reported (and appeared) to have used the advent of Title XX as an opportunity for planning and reshaping its social service programs. Administrators, though concerned about the encrochment of rising wages on the fixed Title XX ceiling, felt the ceiling forced trade-off decisions and required that traditional or historical social service providers and services week alternative funding. Unfortunately the ceiling also created an incentive to minimize outreach efforts.

It was difficult to enlist volunteers who could chose to be paid as providers. Experience in the first year of operation highlighted the higher than anticipated cost of in-home day care and the need for resource development in homemaker and transportation services.

FOOD STAMPS

Administrators identified several problems with the Food Stamp program and favored cashing it out. The program was perceived to have a poor reputation and pose an "administrative nightmare". Among the complications cited were the inclusion of AFDC emergency grants and Title VII meals-on-wheels for the elderly as income in benefit computations, the lack of consistent definitions of work requirement conditions in certification and Quality Control handbooks, and the uncoordinated national, state and county QC reviews. Local banks are demanding a service fee for the repeated verifications required.

PUBLIC HOUSING AND SECTION 8

Housing was characterized as the point at which the failures of all the other social programs reach visability. City B experience indicated that scattered sites are vastly preferable to massive projects, and Sec. 8 was endorsed in part for this reason. It was suggested that the cost pressures on PHA's to acquire tenants with higher rent capacity might limit the accessibility of housing to FHF/wc. The practice of counting housing benefits as income in Food Stamp eligibility calculation was cited as a classic case of lack of coordination between national programs. It was also suggested that there be closer coordination with Law Enforcement Assistance Administration security funding.

WIN

As in other states, the inability of AFDC-UP to benefit from the $30 and 1/3 income disregard provisions was cited as an incentive for placing men in higher paying positions. It was noted that minorities tend to receive higher wages than other placements -- perhaps due to greater skills but previously limited opportunities.

Coordination with other programs poses particular problems for WIN in State B. It was stated that both Food Stamp and AFDC calculations regularly count training stipends and expense allowances as income in their computations. WIN personnel explained that AFDC maintains its own work test and subsequent employability screening, and can independently sanction (reduce grant to) "employment" recipients who decline jobs and volunteers who do not enter employment following training or who leave jobs. These AFDC sanctions are not coordinated with ES, and were said to be relatively ineffectual as there was no dollar deduction made in AFDC grants, and difficult to implement in finding persons willing to serve as protective payees. While coordination with Title XX was generally good, other administrators felt that WIN's separate efforts to develop day care resources represented duplication of effort. WIN and CETA were perceived as competitors for participants and perhaps for employer placements, as both drew on the same job bank listings.

CETA

While CETA was seen as a positive move in manpower 'supply' programs, a need was expressed for national programs focusing on 'demand', i.e., more job creation to ensure the employment of those who had benefitted from CETA training.

STATE C: LOW AFDC/MEDICAID BENEFITS

STATE C: LOW AFDC/MEDICAID BENEFITS

1. Program Structure and Interrelationships

In State C, the Welfare Department has responsibility for AFDC, Title XX social services, WIN social services, Food Stamps, and the Title IV-D Parent Locator program. The Department is also responsible for Medicaid eligibility determination, but Medicaid vendor certification, payments, and quality control are the responsibility of the State Health Department.

The Welfare Department sets guidelines, policy and oversees quality control for all programs for which it is responsible. Most program operations at the local level are carried out by county welfare departments and fully funded through state and Federal funds with the exception of the administrative costs of the food stamp program, 50% of which must be paid by county government. The state Title XX program is not decentralized, however, so that all contracts for Title XX services are made directly by the state. The state welfare department contracts with county Boards of Supervisors for administration of the IV-D program, and counties receive the net value of welfare grant savings achieved through IV-D as an incentive payment.

The state Department of Labor is responsible for the employment and training aspects of the WIN program and for the CETA balance-of-state program. The six regional WIN programs are operated by local offices of

the state Employment Service (ES) with very few state written criteria for determination of employability or type of employment to be provided. WIN service workers (SAUs) are based in local welfare department offices.

CETA programs are operated by six Prime Sponsors, who typically contract with the ES for intake and counseling functions. In general, CETA programs in the state make little use of Title XX funds for services to clients.

Low-rent public housing is managed by 148 autonomous local housing authorities, with 48,468 available units. At the time of the site visit, State C had applied for but not received any Section 8 rent supplement funds. The PHAs have contracted with the state Title XX agency to provide child care and some counseling services.

2. Program Eligibility, Benefits, and Rationale

AFDC

Eligibility and Benefits

State C does not cover unemployed fathers, and thus 99% of the AFDC recipients in the state are FHF/wc. Unborn children are also covered so that a pregnant woman with no other children may receive AFDC benefits.

As of July 1976, the state standard of need was a non-itemized flat rate of $96 for the first family member and $48 for each additional family member. The state paid 60% of its need standard (i.e., $135 for a family of four) up to a family maximum of $240. Any family whose countable income exceeds the payment standard could not be eligible for AFDC.

The state also imposes a minimum payment of $7.00, i.e., if a family's total income, after disregarded income, was within $5.00 of the payment standard, the family would not be entitled to payments.

In computing eligibility for benefits, the state excludes the value of the home and allows a resource reserve of $1,000. Any amount above this renders the family ineligible. Disregarded expenses include mandatory payroll deductions, child care up to costs which are "standard in the community" (although there are no empirical standards for cost of care), 10¢ per mile for automobile transportation or standard bus fare, and a $10 food and clothing allowance. The state had formerly had a flat grant for work-related expenses, excepting child care, of 20% of gross income, or $30 maximum.

The state pointedly ignored in-kind contributions (e.g., payment of rent by a friend or relative) from income computations.

Benefits for an eligible family are determined by computing:

Need Standard
x .60
= Payment Standard
- Net income (countable income minus #30 +1/3 of earnings if employed)
= Payment

Rationale

The rationale for this need standard and benefit level dramatically exemplifies a number of problems inherent in the current AFDC program. First, with respect to need standard, state officials had abandoned any pretense at linking need to any cost or standard of living measure because they knew full well that they would not be able to pay the full standard at any time in the foreseeable future. This is not wholly due to inadequacy of state matching funds for AFDC benefits; funds for AFDC in State C have steadily increased in the past decade because the budget for the entire welfare department is primarily drawn from earmarked tax funds and supplemented by appropriations from the state general fund. This has permitted a steady increase in the percentage of need paid over the past several years as the state's tax receipts have grown. However, Medicaid matching funds must be entirely appropriated from the state general fund. Since any AFDC recipient is automatically eligible for Medicaid benefits under Federal law, any significant rise in the AFDC and payment standard would increase the eligible AFDC caseload and the Medicaid caseload and costs as well. Administrative and fiscal responsibility for the Medicaid program is lodged with the Department of Health in State C and AFDC is in the Department of Welfare; the Health Department has not been willing or able to

join with the Welfare Department in influencing the state legislature to appropriate Medicaid funds at a level which would permit expansion of eligibility for AFDC and Medicaid through adoption of a higher payment standard.

In the last fiscal year, the state Welfare Department had sufficient funds to raise AFDC benefits, as funds which had formerly been spent on cash assistance to the aged, blind and disabled had been replaced by Federal funds under the Supplemental Security Income (Title XVI) amendments to the Social Security Act. The Welfare Department first proposed to keep the need and payment standards at roughly their prior level, thus maintaining the same caseload size, and automatically adding a $10 monthly "special needs" grant to each recipients payment. HEW rejected this proposal on grounds that it discriminated against applicants who would be eligible if the payment standard were $10 higher at the outset. The state then arrived at the plan described above, i.e., of raising the payment standard but imposing a minimum benefit requirement. This has had the effect of raising monthly benefits to families by $7-10 a month without extending eligibility for payments to families with higher incomes than was previously the case. State officials report that this payment plan is now in operation, although still not formally approved by HEW, and that the plan has worked. The size of the caseload has not changed much in response to the change in benefits. In fact, there has been a secular trend to more AFDC cases, but a downturn in individual recipients because of the smaller family size of FHF/wc.

Unfortunately, while State C was attempting to reach agreement with HEW, the Welfare Department could not spend its extra funds on AFDC benefits for fear that Federal matching funds would be withheld. The state legislature noted this unexpended surplus and cut an equal amount from general fund appropriations to the Welfare Department for the coming fiscal year. This will probably force the Department to cut back on social services in order to maintain its higher cash benefit level.

MEDICAID

Eligibility and Benefits

State C does not have a "medically needy" program. Those eligible for Medicaid benefits include only AFDC and Supplemental Security Income (aged, blind and disabled) benefits. Services and their limits which are covered by Medicaid in the state include:

Physician's Services	No limits for routine visits; maximum 1 visit per month for chronic illness; 1 visit per day for hospitalized patients
Inpatient Hospital Services	Maximum 20 days per calendar year with 10 day extension allowed
Psychiatric Inpatient Care	Only for persons over age 21
Skilled Nursing Care	Preauthorization required; ceiling of $21.50 per day
Interimediate Nursing Care	Preauthorization required; ceiling of $19.35 per day
Drugs	Co-payment of $.50 per prescription and refill
Eyeglasses/eye care	1 pair glasses per year for child; 1 pair every 2 years for adult
EPSDT, Dental Care, Hearing Care	Limited to persons under age 21
Lab, X-Ray	Not specified
Home Health Care	Maximum $25 per visit
Prenatal/abortion	Covered

The service limitations are more restrictive than those in the other states surveyed. Cutbacks in duration of hospital services, physician visits, allowable costs of nursing care and the imposition of co-payments for prescriptions had all occurred in 1975.

As with all Medicaid programs, payments are made directly to the health care provider on behalf of the recipient rather than to the recipient directly.

Rationale

The reasons for the absence of coverage for non-AFDC medically needy families and the increasing limitations on Medicaid benefits in State C were noted above, i.e., all of the state's share of Medicaid funds is subject to appropriation from the state general fund and the legislature has been unwilling to increase appropriations to expand the Medicaid program. The state Health Department has not traditionally fought for more Medicaid funds, and in fact felt that coverage of unborn children should be cut in any event because it is "mostly used for abortions by unwed mothers".

TITLE XX SOCIAL SERVICES

Eligibility and Benefits

AFDC (and SSI) recipients are eligible for all Title XX services in State C at no cost for FY 76 and 77 (the first two program years). Non-public assistance recipients are eligible for services if their family income does not exceed 80% of the state's median income of $12,805 for that family size except in the case of legal services and child day care;

the legal service income eligibility limit is 65% of the median and for child day care is 55% ($7,043 for a family of four). AFDC families are eligible for care for child development purposes whether or not the parent is working; income eligible (IE) families may only use Title XX care when the parent is employed, in training, disabled, or has a disabled child. No fees are charged for care.

The range of services offered narrowed from 36 in FY 76 to 28 in FY 77, representing semantic more than real differences in the type of services available each year. The proportion of Title XX funds to be expended for child day care was 29% in FY 76 and 28% ($15,727,326) in FY 77, with 79% of these funds targeted on children of AFDC recipients.

Title XX funds may be used to purchase center care, under contract with individual non-profit centers, or for vendor payments to family day care homes (care of a group of children by a licensed caregiver in her own home). No Title XX funds may be expended for vendor payments for care of a child in his/her own home. Care of this latter type may be purchased with WIN service funds or employed AFDC mothers using in-home care may deduct costs of care from the income base on which AFDC benefits are determined.

Rationale

State C's rationale for offering Title XX care to persons of a lower income level than is true for other Title XX services is that the demand for care, as assessed by a client questionnaire, sampling of caseworker service activities, and public hearings on the state Title XX plan,

indicates that demand for care is very high. To extend the income eligibility level beyond 55% of the state median would require so much of the state's Title XX funds that services to other needy groups would have to be sacrificed. While the state could expand child care eligibility by charging a fee for higher income families, the state felt that the management of a fee system would be too cumbersome to implement at this early point in the development of the Title XX program.

Finally, State C's decision to use Title XX funds only for center or family day care is based on the Welfare Department Children's Services staff view that care should be developmental rather than custodial, and that quality care will more likely be found in licensed group settings.

FOOD STAMPS

As in all states, national eligibility criteria and benefit levels are applicable in State C.

LOW-INCOME PUBLIC HOUSING AND SEC. 8

Eligibility and Benefits

As noted earlier, State C has not yet obtained Section 8 funds. The range of income eligibility requirements and priorities for housing for all public housing authorities in the state could not be ascertained. In City C, income eligibility for the city's 3636 units in 14 projects ranges from $4800 for a family of one, $6,800 for a family of four, and $8,300 for a family of 10 or more for families seeking admission to a project.

Relatively higher income limits apply to families already residing in a project ($6,000 for a family of 1, $8,500 for a family of four, and $10,375 for a family of 10) or who have been displaced from their previous dwelling as a result of governmental action (urban renewal, etc.). In addition to the standard HUD income exclusions, only governmental payments for disability or death of a family member connected with military service are excluded from income. The PHA has no assets test. Priority for services is for displaced families, displaced single persons, and elderly persons, with 20% of the total being very low income persons per HUD requirements. Residents receive priority for Title XX-funded child care operated by projects and, in addition, are entitled to receive social and educational services offered by the project.

All residents must pay rent for public housing which is equal to 25% of their net income or no less than 5% if AFDC recipients.

Rationale

The income eligibility criteria for public housing are considerably higher than those for AFDC/Medicaid eligibility even when AFDC income disregards are taken into account. The City C PHA manager explained that this disparity was necessary in order to ensure an income mix in the projects which would yield rental payments equal to 20% of the entire income of project tenants as required by HUD, i.e., it was necessary to select some tenants on the basis of solvency. Restriction of eligibility and service priority to AFDC families would not meet this objective.

In addition, the even higher income eligibility criteria for existing residents is seen as meeting both project revenue needs and preventing upwardly mobile families from being forced to move to substandard private housing at higher rents.

Priority for Title XX child care services for project residents is justified by the PHA on grounds that resident families meet Title XX criteria and the 25% matching funds for child care services are provided by the PHA.

WIN

Eligibility and Benefits

Eligibility (or, more appropriately, required participation) and benefits under WIN in State C are consistent with Federal law and regulation. Since State C does not have an AFDC-UP program, in effect only single parents (overwhelmingly female) and their children aged 16 and over who are not in school are required or may volunteer to participate. Of those who are not exempted from WIN due to the presence of children under 6, geographical remoteness (residents of 16 counties), or for some good cause (i.e., ill health), WIN priority is to directly place as many registrants in employment as possible. For those who cannot be directly placed but who are deemed "employable", there are no written priorities for who should be served first by what type of WIN component (work experience, OJT, PSE, etc.). WIN state and local staff expressed priority for all WIN training for younger women with fewest children and best educational background. There was no priority or plan for WIN non-traditional training and employment for women within the state.

Once a WIN registrant has been placed in a training component, she receives a $30 incentive allowance for the duration of training, which ranges from 13 weeks work experience up to 1 year in subsidized OJT and PSE. Social services are provided as needed. These include

family planning, remedial medical care (via enrollment in Medicaid or Vocational Rehabilitation) and general counseling by SAU service workers. The only WIN service purchased for a trainee in State C is child care, which may be center-based, family day care home, approved individual in-home or relative in-home care. Services are continued for the duration of training, are routinely provided for 30 days after employment, and are frequently extended for 90 days after employment to ensure stability of the job placement.

Rationale

WIN staff at the state and city level explained their priority for WIN training and employment for younger, better educated women with few children on the basis of WIN's past experience that such women could be more successfully integrated into the work force. The absence of special efforts to direct WIN enrollees to non-traditionally female employment was justified by state staff on grounds that Federal directives to engage in such efforts had come at a time of relatively high unemployment in the state and conditions did not favor such experimental efforts. Local staff reported efforts with individual cases, only a few of which had been successful. It was the feeling of local ES/WIN workers that many WIN registrants were reluctant to consider higher paying non-traditional jobs because of their own stereotypes of appropriate work for women, fear of difficulties on the job, and a generally restricted view of the world of work on the part of those who were recent immigrants to the city from farm labor settings. These workers did feel that the subsidized OJT component of WIN was a good mechanism for inducing employers to consider

women for non-traditional roles, as the Employment Service pays half of the costs of such training to private industry and full costs to public or non-profit agencies. The fact that the state is not heavily unionized was also seen as offering potential for non-traditional placements, as union attitudes toward women would not constitute a barrier. However, the attitudes of women themselves were perceived as the major barrier to be overcome.

WIN services policy is a continuation of WIN service practice prior to WIN redesign.

CETA

Eligibility and Benefits

State CETA staff reported that, in general, the six CETA Prime Sponsors nad not given priority to serving the FHF/wc, although the balance-of-state Prime Sponsor plan gives some priority to welfare recipients (AFDC) who are primarily FHFs/wc. The local Prime Sponsor visited had included FHFs as a significant segment for service in its first program year, but the Prime Sponsor development committee had dropped this priority, and need projections in the plan do not deal with FHFs as a group. Their FY 77 plan emphasizes the economically disadvantaged, minorities, youth, elder Americans, and veterans. 65% of Title I resources are directed to the economically disadvantaged, and priority for referral and enrollment is institutional training is given to WIN clients.

The local Prime Sponsor had received Title VI PSE funds in the past, but the unemployment rate in the area has fallen beneath Title VI criteria so that its operations are now primarily funded under Titles I

and II. Training and employment services offered include direct referral to employment following assessment and counseling, institutional/vocational training (primarily for clerical, nursing, welding and automechanics), PSE up to 2 years per registrant, OJT subsidized contracts with the private sector (average 6 months training), and special programs for youth and Older Americans (aged 40-62 and over 62) which involve subsidized OJT and work experience. A total of 252 adults can be served under these CETA components within the year.

In addition, this Prime Sponsor is funding a special program for 150 displaced homemakers under Title III (demonstration grants) which will involve job search skills, orientation to non-traditional jobs and personal financial management counseling, after which the participants will be placed in a CETA training/employment component.

Participants in CETA receive a training allowance of about $60 per month, or the minimum wage if employed under PSE or OJT. Title I funds are used for services rather than providing services through coordination with other funding sources such as Title XX. Benefits include a transportation allowance of up to $5.00 per week, child care in CETA funded centers or a child care allowance for approved centers when CETA centers are not conveniently located; the latter is available for a maximum of 8 weeks. Medical services needed for employability are purchased by the Prime Sponsor. Counseling and referral to other services is provided by the CETA intake worker located at the Employment Service and by a limited number of social workers employed by CETA.

Rationale

The current absence of specific priorities for FHF/wc is a deliberate determination by the local CETA Prime Sponsor Planning Committee that to specify a significant segment priority group by sex would be discriminatory, even though the unemployment rate for women within the Prime Sponsor area is almost twice that of men, particularly in the case of black women. (No women sit on this Committee and no organized pressure from women's groups has been placed on the Prime Sponsor.)

The clerical vocational training offered by the program reflects an assessment of manpower demand in the area. While both sexes are encouraged in principle to participate in clerical, service, and non-traditional vocational training, OJT, and PSE jobs, actual placement in a CETA component is largely determined by the CETA intake workers within the Employment Service and the local PS had not explicitly attempted to secure more non-traditional training opportunities for women in general or FHF/wc, as the CETA staff also believes that women are reluctant to undertake such occupations. This belief led to the CETA funding of the special displaced homemaker experimental program noted above. (The staff and Program Committee see the use of Title III funds for a single-sex program as being appropriate, as opposed to the use of the more general Titles I and II for this purpose.)

With respect to services, CETA staff were largely unfamiliar with Title XX and the potential for utilization of this source of services for CETA trainees, and reported very little contact with either WIN or the Welfare Department in general. They reported that day care services run by PHAs were always filled by project residents and that Head Start, another day care resource, had refused to earmark any slots for CETA trainees. For these reasons, CETA expends its own funds for child care during training participation.

3. Program Operations and Procedures

AFDC/MEDICAID

Since AFDC recipients are automatically entitled to Medicaid and non-recipients are not eligible, intake and redetermination of eligibility for both programs are handled by the welfare department. Specific procedures for use by county welfare workers are set forth by the state in a 150 page manual. Key steps in the AFDC/Medicaid enrollment process include:

Intake

The applicant meets with an income maintenance worker at the county welfare office, at which time the following forms are completed:

(1) Basic AFDC/Medicaid application, which requires the applicant to agree in writing that if she receives welfare, her name will be filed with the Probate Judge and that she is willing to report information about the absent father of her children to law-enforcement (IV-D) officials. Should the applicant refuse to agree to either of these steps, the application will not be completed. If the mother does agree, she then gives information about her present marital status, social security number, name, age, and father of each child, father's status (dead, disabled, absent and reason), sources and amount of earned and unearned income, child care provider costs, and other work related expenses, in-kind contributions, cash resources and other assets, type and costs of housing. Finally, the applicant must agree to provide references for verification of the above information if her application is further reviewed. The IM worker can immediately determine if the applicant is likely to be eligible based on this information.

(2) Family budget form, to which the IM worker transfers cash, assets, and family size information and computes the benefit to which the recipient would be entitled if the application is approved.

(3) Five verification forms, which must be signed by the applicant authorizing the recipient to provide information to the welfare department. These forms are directed to banks, employers, other government agencies which currently provide benefits to the applicant or a member of her family (e.g., SSI), unemployment compensation office, and school attended by the child/children in the family.

(4) WIN registration referral form, which includes the date the applicant is to appear at the employment services for an interview and the applicant's WIN status (voluntary vs. mandatory).

In addition, the applicant is asked to give the names of two unrelated persons as references.

Verification and Certification

The state welfare department procedures manual permits IM workers to verify much information from documents produced by the client (e.g., birth certificates, statement of earnings, etc.) if the client is able to obtain the necessary documentation herself. Clients may be given stamped envelopes addressed to the agency for purposes of sending documents. Even if the client cannot provide her own verification, if she has serious objections to the routine verification sources (e.g., does not want her employer to know that she is applying for welfare), the IM worker is instructed to help the client identify an alternative

acceptable verification source. IM workers in City C report that less than 2% of applicants refuse information through one process or another. Thus, while the application process could be said to be quite intrusive and time consuming, the state and the one city agency visited try to keep violation of personal privacy vis a vis communication with banks, employers, and so on, to a minimum.

A home visit is also required for verification of the number of children in the home, presence of a natural father, etc., but the state specifically instructs IM workers not to delay completion of application certification if the home visit cannot be made in time to permit final state action within 45 days from the time of application. The home visit requirement is also explicitly waived if the applicant lives in a high crime area.

In City C, IM workers rarely make home visits at all and simply report to the state periodically that pressure of workload has prevented the fulfillment of this requirement. In fact, the local agency sees the IM worker visit as unnecessarily intrusive since a social worker routinely visits certified recipients anyway and would be able to determine if the applicant had provided false information. The state apparently accepts this practice as the agency has generally ignored the IM visit for some time without reprimand.

Once the IM worker has verified the applicant's information, the applicant must return to the county welfare department for a second interview, at which time the IM worker helps her complete a 38-item questionnaire regarding the absent father of her children, which is forwarded to the County Attorney for action. A food stamp eligibility affadavit is completed at this time.

This entire process must be completed within 30 days because state law requires that applications be denied or the first AFDC check and Medicaid I.D. card sent within 45 days and the state requires an additional two weeks to process the application.

Recertification

Redetermination of eligibility is required every 6 months in State C. While this is supposed to be accomplished in part through a home visit, as noted above IM workers do not routinely do this. The client must come to the welfare department for an interview.

TITLE XX SOCIAL SERVICES

Applicants for Title XX services who are also AFDC applicants are referred to the social services intake worker at the time of their second visit to the welfare office. A 63-item form must then be filled out by the caseworker and client, and the caseworker arranges for services. With respect to child care, the agency is aware of the center slots available under contract to the state and will place a child in a center if need for care is determined regardless of whether the parent is working.

If the mother expresses a preference for a family day care home, the social worker must ensure that the home is licensed before direct vendor payments will be made on behalf of the child.

Income Eligible mothers may make an appointment with a caseworker to arrange for care. More frequently, such mothers apply to a Title XX day care center or family day care home and are referred to the welfare department if they may be eligible.

Eligibility must be redetermined every six months. In the case of AFDC recipients, the caseworker merely reviews the IM file. Income Eligibles must provide evidence of their continued eligibility which is then verified by the caseworker.

FOOD STAMPS

Food stamp outreach in State C predates the DOA mandate. Outreach workers in every county food stamp office devote 10% of their time to outreach efforts and are under the general supervision of a state outreach coordinator. In City C, the food stamp director frankly reported that the outreach worker "doesn't beat the bushes" because of inadequate time, but does speak to other agencies, community groups, and responds to requests for information.

AFDC applicants whose applications have not been processed typically make an appointment at the co-located Food Stamp office for application as a non-assistance recipient. The waiting time for an appointment is two weeks, or the applicant may have her application processed the same day if she is willing to wait several hours. Her application may be temporarily certified the same day she applies. Once she has become certified as an AFDC recipient (actually 2-3 weeks later), the IM worker notifies the Food Stamp staff and her status is changed. Benefits remain the same.

The non-assistance recipient must make an appointment for an interview, also with a two-week delay, and often goes to a Food Stamp office which is <u>not</u> co-located with the welfare agency. The applicant is read a statement regarding reporting requirements, penalties, etc., and

her income and assets are computed according to standard procedure to determine eligibility and the bonus value of stamps to which she is entitled. All employment, income, assets, and household characteristics data, per Federal requirements, are obtained by the intake worker at this time.

As in State B, applicant documentation is preferred, but applicants must also waive rights to privacy so that workers can contact employers and others directly if needed. Applicants who have zero income before or after exclusions may be temporarily certified for immediate Food Stamp insurance. Otherwise, certification should be completed within 45 days and an ATP card is issued by mail.

The period of certification varies by the income and assistance status of the recipient, e.g., AFDC recipients are certified for 3 to 6 months, elderly and disabled SSI recipients up to a year, and those on Unemployment Compensation or other highly variable income status must be recertified monthly. Determination of the period of certification was largely left to the judgment of the caseworker in City C.

State C issues food stamps only through Food Stamp Offices (or the City Hall in remote, underpopulated areas). Food stamps may be issued by mail at county option, but only one county does this. In order to prevent massive tie-ups at the limited number of issuance outlets, recipients are assigned specific days of the month when they can purchase stamps. Should an applicant be unable to get to the Food Stamp Office on that day, special permission for emergency purchase must be given by a Food Stamp worker.

LOW RENT PUBLIC HOUSING

Applicants for low-rent public housing in City C are required to complete a relatively brief application form as in Cities A and B. Vertification of income is done primarily by direct contact with employers, banks, the welfare office, etc., rather than through client-provided documentation. Recertification is required every six months, based on reported and verified income.

The average waiting time to get into a project is 90 days, but families desiring a specific project location must often wait longer.

All rents are due on the first of the month and are delinquent after the fifth of the month, after which time a 50¢ per day penalty is charged. Tenant project committee and social workers supported by a special Target Projects Program (TPP) HUD grant attempt to deal with recurrent non-payment, but when problems cannot be resolved the family is evicted by the Sheriff's Department.

Project residents may receive child care in Title XX-funded projects on a first-come, first-served basis, with preference to children of working parents. Other services, including basic education and employment counseling, are provided directly to tenants through a combination of TPP funds and the State Vocational Education Department.

WIN and CETA

Unlike States A and B, WIN and CETA intake and basic assessment procedures are handled jointly by the State Employment Service (ES). Once the CETA priorities for significant segments and quotas for each county in the CETA consortium in City C have been established, the Prime Sponsor's role is that of job and training development with the public and private sector.

When AFDC applicants are referred to the ES, an ES counselor reviews job openings with them, consistent with WIN III regulations. This is in fact rather perfunctory and the consequences of accepting a job prior to AFDC enrollment are fully explained. (Only two such prior placements had occurred in City C to date.) Once the applicant has been certified for AFDC, an appointment is made for intake and assessment, with the SAU worker present. It is immediately determined if the individual should be exempted due to special circumstances (ill health). If she is not exempted, the SAU worker certifies the services that will be needed if the registrant accepts direct placement or training.

Registrants who are deemed to have little employability potential (in fact, the older and less educated with many children) are assigned to the registrant pool and are not active participants. Those with employability potential are given a battery of tests as in States A and B, and the CETA program is explained to them. The ES counselor then helps the registrant determine her employment plan. While priority is given to direct placement, per Federal requirements, assignment of participants to a WIN or CETA component is determined jointly by the participant and ES counselor, with CETA and WIN OJT, PSE and training openings taken into account. CETA and WIN have agreed that priority for institutional training (i.e., clerical, nursing, automechanics) should be given to WIN participants.

The active WIN participants referred to CETA are those deemed most likely to be successful, which will be credited to both WIN and CETA by Federal performance evaluators. CETA does not track the number of WIN participants in the program, as they are not an identified "significant segment".

FHFs/wc who are non-WIN participants may hear of specific training opportunities through advertisements in the media. Such persons must still be processed through the ES for actual enrollment.

WIN participants who are not suspended to CETA may be assigned to work experience (13 weeks unpaid OJT), to an OJT contract slot with private business, to a PSE job, or to a job which is specifically developed on a case-by-case basis with an employer. Job developers for the latter purpose can deal with 10 participants a month. During the month when the site visit took place, there were 1,000 WIN registrants; WIN staff estimated that 150 to 200 would be active participants in training or employment at one time or another throughout the year.

4. Program Outcomes

AFDC

As noted earlier, the AFDC caseload in State C has increased slightly over the past few years, but the number of recipients is declining, reflecting smaller family size per case. State staff estimated that currently over 50% of the caseload is composed of 1-2 child families. In the state's FY 1975, the AFDC caseload (i.e., recipient family) average for the year was 49,100, with an average grant of $94.79 per month ($1,137 annually). Average grants as of June, 1976, had risen to $98.55 per month.

At the time of the site visit, the payment standard had been adjusted upward to $135 per month for a family of four, which should result in a slightly higher average grant, but which will still be less than 35% of the poverty level for a family of four. Total state expenditures for AFDC are not reported in public documents in order to hide the costs of this unpopular program.

The state had no data on average duration of AFDC enrollment nor on what proportion of total recipients were employed. However, data on reasons for the 20,855 new case openings in FY 1975 reveal that the largest single reason for applying for AFDC is sudden loss of income due to illness, injury, or job loss (24.9% of all case openings); death or desertion of the income provider accounted for over 12%; and stoppage of child support payment from absent fathers or other income sources caused 11% of applications. Sudden income and asset loss as a result of medical care needs, loss of some other income provider from the

home, and miscellaneous other reasons accounted for the remainder who became eligible because of material change in resources. Almost 20% of cases applied because of increased need for medical care and other resources (e.g., women pregnant with first child), with the remainder -- about 20% of total case openings -- due to 'other' reasons which primarily reflected an inability to continue to cope without "welfare".

A total of 15,891 case closings were due to changed eligibility on the basis of need, including 18% due to increased income or resources of the mother or someone else in the home, a rather higher figure than the national average; only 7% of changes were due to absent parent's support, return, or remarriage of the mothers. Over 13% were due to receipt of other program benefits (e.g., Social Security, SSI). The bulk of case closings did not reflect increased income but, rather, loss of eligibility because of change in AFDC status (e.g., children no longer in the home), change of residence, etc. Only 3% were closed for refusal to comply with reporting and procedural requirements, however.

Quality control statistics were not obtained, but state staff reported that their error rate had decreased both as a result of moving to the consolidated flat grant and hiring more IM workers. However, City C staff believed that the "errors" cited were paperwork errors rather than actual eligibility or payment errors.

MEDICAID

As in State B, Medicaid costs have risen primarily in response to inflation in provider costs, with per capita FY 1975 payments $46/month greater than the previous year without significant increase in eligibles

or utilization of the more costly services. Total Medicaid cost to the state in FY 75, representing 15% of all state revenues, was $41 million. The total number of eligible recipients during the year (including AFDC, SSI and all others) was 405,458, with a monthly average of 323,887. Of these, AFDC recipient individuals accounted for slightly over 50%, 73% of whom actually received Medicaid services during the year. However, as was the case in States A and B, the cost of services to AFDC recipients was much lower than that for the aged and other categorical recipients, with payments for AFDC families averaging only 23% of payments to all other recipients.

53.2% of Medicaid services received by AFDC families were for physicians' services, as compared to 11.2% for most costly hospital inpatient services and .006% for nursing homes.

TITLE XX SOCIAL SERVICES

As with other states, only limited data on actual Title XX services for the first program year were available. As of June 1976, approximately 3,500 children were served in centers under Title XX contracts, while vendor payments to day care centers were made for 3,590 AFDC children; payments were also made to family day care homes for 1,833 children. This total approaches the Title XX goal of serving 10,000 children, but no current and consistent data were available on the numbers of children who were in care full or part time and the proportion who were AFDC vs. Income Eligible receiving Title XX care. Neither were complete cost data available. All that is clear to date is that State C has promoted generally more costly center care because of its commitment to the child development role of day care.

FOOD STAMPS

As with States A and B, the Food Stamp program did not maintain separate data on AFDC, as opposed to all public assistance recipient participation in the program. The most current data, June 1976, indicated that 344,071 persons in 94,711 households were served, with 53% of individuals being non-public assistance recipients and the remainder receiving public assistance. The average purchase requirement was $13.50, with an average bonus of $26.20, or 50% of the value of the stamps. State and city administrators could not estimate how many eligibles had been served as a result of the outreach program because of general increases in the caseload due to the recent economic slump. Because of the co-location of Food Stamp offices in the larger county welfare departments, and the fact that all AFDC recipients are advised of their Food Stamp eligibility during the intake process, it is likely that most very low income FHFs/wc are served. Summary quality control data were not available.

LOW INCOME PUBLIC HOUSING

In City C, there were 3636 public housing units, 591 of which were leased under the inactive Sec. 23 program. Approximately 3,170 families occupied public housing in City C, 60% of whom were FHFs/wc, almost all of whom received AFDC benefits. Average rent paid across all projects was $48 per month. Average tenant income was $5,000 for an average family size of five.

The waiting list of 275 families could be accommodated by 466 vacant units; however, most of the vacant units are located in the leased public housing which is all-electric and which produces utility bills that residents cannot afford. These high-vacancy projects are then subject to frequent vandalism which makes them even less desirable, and the

PHA has no authority to modify or make improvements on leased housing. The owners of the Sec. 23 housing provide very little maintenance. either. This burden of past mistakes accounts in part for the almost 50% operating subsidy the PHA receives from HUD and also generates pressure on the agency to attempt to serve more relatively high-income tenants.

All projects have tenant governance committees to handle disputes, resident councils to plan activities, and some tenant staff trained by the PHA.

WIN

The total number of WIN registrants in State C for the 13 months of FY 1976 was 34,995. Of these 90.6% were female (the remainder being male single parents or older male children of AFDC recipients). 42.3% of registrants were voluntary registrants and 2.6% had been previous WIN registrants. These statistics are very similar to State B. Only 5.8% (2,056 recipients) actually entered employment during this period; 94.2% (1,938) of this small number were FHF/wc or their older female children, and 51.6% of those who entered employment were voluntary participants.

As with State B, over half (56.5%) of all who became employed did so on their own and almost 45% were "placed" by WIN following Labor Market Exposure (10.1%), OJT (5%), PSE (4.3%), or suspense to CETA (2.6%) and other components. It is not possible, given the standard WIN reporting format (ESARS) to determine what proportions of each of the above were FHF/wc or even women.

However, the average wage for female WIN registrants who became employed was $2.21 per hour as compared to $2.30 an hour for men, a much smaller disparity than in States A and B -- but State C had lower average male wages than in either of the other two states. As with other states, WIN employed women were concentrated in clerical, sales, and service occupations. Of those who were fully employed, 81.6% were expected to remain so over 30 days.

Among the unemployed registrants, approximately 38% were unassigned. More women received PSE (13%) than in other states, and less than 2% were in institutional training, reflecting the national de-emphasis on classroom training. Of all WIN deregistrations during the year, 14% (1,408) had increased earnings to a level which removed them from AFDC, a number much higher than that in other states, which is no doubt associated with the state's very low eligibility and benefit level. All other deregistrations were due to volunteers quitting WIN, exemptions for health, and other unspecified reasons. WIN staff reported that women who were placed through WIN got less menial jobs than those who found their own jobs, but acknowledged that wages were low.

With respect to services, WIN clients are much more likely to receive in-home or relative child care than are AFDC working mothers, who get Title XX care. However, WIN/SAU staff reported that most WIN mothers prefer non-group care for their children.

CETA

Because of the CETA contract with the ES to handle all intake, the City C Prime Sponsor has no idea how many WIN participants or other FHFs/wc are trained and placed through CETA. The only data available to the Prime Sponsor was that the CETA placement rate is 38% higher for females than males, and the job retention rate of persons employed through CETA efforts is somewhat higher (39%) for women than men (34%).

5. Agency Administrator Views on Program Adequacy

State C program administrators, as in the other states visited, were generous with their time and outspoken in their views of the current program structure. They were perhaps more frustrated than workers in the other states because of lack of state financial support for some basic programs. Their views are reported below.

AFDC

State and city AFDC staff felt that the income provided through the program was clearly inadequate. They believed that families survived through uncounted in-kind income (sister pays rent, etc.), Food Stamps and Medicaid benefits, living in sub-standard housing, going without heat (using the oven to warm the house at mealtimes), and private charity. Since neither the state nor counties in State C provide for emergency assistance or General Relief, the city welfare agency in State C often made the rounds of churches and community organizations to solicit funds for clients in emergency situations. While state staff felt that the IV-D program was useful, city workers found it demeaning to clients and undertook it reluctantly.

Each level visited complained bitterly about the capricious rules and regulations of the next level up (city vs. state, state vs. Federal government); some city welfare staff felt that the WIN registration and assessment process was a waste of time, as most clients would never be trained or provided jobs unless they got them on their own, and many had too many problems to permit really gainful employment anyway; others thought even more stringent mandatory work requirements would be desirable

to prevent dependency if only there were jobs to be had. IM workers at both levels favored a flat work-related expense grant to reduce red tape, and all supported increased Federal funding of AFDC with less Federal regulation. In order to simplify the administrative burden on employees and intrusiveness to clients, the state was field testing a common eligibility form for all Welfare Department programs.

MEDICAID

In addition to complaints about the underfunding of Medicaid, state and city welfare workers noted that many physicians refused to serve Medicaid clients because of paperwork and low reimbursement rates. Furthermore, Medicaid cards were often delayed as much as three months after AFDC certification, and most physicians refused to see a Medicaid eligible person without card in hand. As a result, prenatal care was especially lacking and many pregnant women first received medical attention when they appeared in a hospital emergency room in hard labor. Both state and local staff felt that Medicaid eligibility should be need-based and not tied to AFDC.

TITLE XX SOCIAL SERVICES

State and local welfare department social workers expressed the view that Title XX was no great improvement over the old Title IV-A service program, although the removal of the statewide requirement did permit better targeting of resources in areas with special needs. State officials remained unsure of how to obtain meaningful community involvement in the planning process and felt that Federal reporting requirements were onerous. City welfare workers were violent in their denunication of the case tracking and reporting system being attempted by the state and felt that, on balance, Title XX federal day care quality requirements were unrealistic.

FOOD STAMPS

Unlike administrators in State B, State C Food Stamp staff at both levels liked the program and opposed cashing-out these benefits because they believed that the program assured that low-income children would at least be assured of food under the present system. They took the view that most poor families are not good money managers and that Food Stamps rather than increased cash were justified for this reason. All felt that the Federal quality control program was missing the point by focusing on procedural errors (e.g., failing to make a 62-year-old register for work). The state Food Stamp director favored moving the program to HEW so that policies and procedures could be more compatible and unnecessary duplication of forms, investigations, and reporting requirements could be avoided.

The State Director also felt that categorical eligibility for public assistance recipients should be repealed so that all would be treated equally, and that work registration requirements under the program should be the same as those under AFDC rather than exempting mothers of children under 18. Like the AFDC staff, the Food Stamp staff wanted to move to standard deductions for WRE and other expenses. Finally, this agency opposed the Food Stamp purchase requirement because of hardship to families and cumbersomeness of administration.

LOW INCOME PUBLIC HOUSING

The City C PHA was most concerned with the problem of two large leased projects noted earlier. Further, they felt caught between HUD pressures to acquire tenants with higher rent capacity to support

operating costs and Welfare Department demands that more AFDC clients be accepted. On balance, however, this PHA was pleased with public housing and quite elated with the total social milieu they had been able to create in the model TPP project. They felt that housing in the area was generally so substandard that low-income people were better off in the projects.

WIN

WIN staff frankly recognized that they would not ever be able to find jobs for most of their registrants because so much work preparation and training was needed. City C staff were supportive of WIN II restrictions up to a point, as they had felt there was previously too much training for jobs which was not labor market related. They saw CETA as the best source of upward mobility for clients who could make use of the program.

State WIN staff supported the new employment emphasis on WIN even more, as being much more practical and in line with traditional ES functions.

State and local staff differed with respect to the utility of a mandatory work requirement, with state staff seeing the requirement as the only way to get people to work, while local ES staff felt that having to carry large numbers of mandatories who were really unemployable on the rolls was foolish and wasteful.

CETA

CETA staff were well pleased with their arrangement with the ES and felt that this process was easier on potential enrollees and saved overhead, a view which appears to have considerable merit. The major complaints of the CETA Prime Sponsor in City C had to do with the unavailability and/or inaccuracy of information on specific target groups for planning purposes. Staff felt that the female-headed family should receive greater priority, but that DOL leadership and clarification of guidelines would be required to make this a reality in their area.

GLOSSARY

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Abbreviation	Definition
AFDC	Aid to Families with Dependent Children -- the basic Federal cash income support program for low-income single parent-families.
AFDC-UP	Aid to Families with Dependent Children: Unemployed Parent -- an option states may exercise to provide AFDC benefits to two-parent families in which neither parent is employed.
BLS	Bureau of Labor Statistics, U.S. Department of Labor.
Categorical	Related to the grouping of individuals on the basis of shared social characteristics, e.g., age, family structure, disability, in defining who programs will serve.
CETA	Comprehensive Employment and Training Act -- Federal grants to local Prime Sponsors for employment and training programs for unemployed and underemployed persons.
DOL	U.S. Department of Labor -- administers CETA and portions of WIN.
EPDST	Early and Periodic Screening, Diagnosis and Treatment -- mandated medical services provided to all Medicaid children under age 21; may be extended to other low-income children at state option.
ES	Employment Service -- operated in all states to record job openings, register and place job applicants.
FHF	Female Headed Family -- household including two or more individuals related by blood, marriage, or adoption. Women are not classified as heads if their husbands are resident members of the family.
FHF/wc	Female Headed Family with children under 18 (as defined in this report).

FNS	Food and Nutrition Service, U.S. Department of Agriculture -- administers the Food Stamp Program.
GA/GR	General Assistance/General Relief -- state operated and financed programs of generally short-term emergency income support for individuals not eligible for categorical Federal programs.
HEW	U.S. Department of Health, Education, and Welfare -- administers AFDC, Medicaid, Title XX, and service portions of WIN.
HUD	U.S. Department of Housing and Urban Development -- administers low income housing programs.
IE	Income Eligible -- persons eligible for Title XX assistance on the basis of state-defined income level rather than on the basis of eligibility for other assistance programs.
IM	Income Maintenance -- division of State Welfare Department responsible for assistance payments (as opposed to provision of services).
LHA/PHA	Local Housing Authority/Public Housing Agency -- independent organizations created under state law to administer, through contract with the Federal government, low-income housing programs and Section 8 housing assistance.
OJT	On the Job Training -- WIN or CETA subsidized public or private training of employees, in which employer is expected to retain the employee following successful training.
PA/non-PA	Public Assistance/non-Public Assistance -- distinction between those categorically eligible for Food Stamps based on receipt of public assistance, e.g., AFDC, SSI, GR and those eligible based on low income only.
PSE	Public Service Employment -- Employment in public or non-profit agencies subsidized under WIN and CETA Titles II and VI.

SAU	Separate Administrative Unit -- provides social services to WIN participants.
Section 8	Housing Assistance Payments -- HUD payments to landlords on behalf of participant low income families covering the gap between negotiated rent and 25% of income.
SSI	Supplemental Security Income -- Federal cash income support program for aged, blind and disabled individuals who are not covered by the Social Security Insurance system.
Title I	Title I of CETA -- provides Federal grants to local prime sponsors for planning and operation of comprehensive manpower services for unemployed and underemployed persons, including training, employment, counseling, testing and placement.
Title II	Title II of CETA -- Federal grants to local prime sponsors in areas of substantial unemployment for subsidized developmental transitional public employment of professional and paraprofessional personnel.
Title IV-D	Title IV-D of the Social Security Act -- mandated Paternity and Child Support program requiring states to locate and collect child support payments from fathers of AFDC children (and non-AFDC children with parental request).
Title VI	Title VI of CETA -- grants to prime sponsors to subsidize emergency temporary public service employment to counteract economic recession.
Title XX	Title XX of the Social Security Act -- the program of Federal allocations to states to provide state defined services to recipients of AFDC, Medicaid, and SSI benefits and to other state-designated eligible persons.
WE	Work Experience -- short term, subsidized, on-site exposure to the work environment for WIN or CETA participants.

WIN	Work Incentive Program -- the employment and training program with which AFDC applicants must register unless exempted; AFDC applicants may also volunteer.
WIN II	Work Incentive Program II -- designates revision in WIN program beginning 1972 requiring immediate job placement of registrants where possible and de-emphasizing training.
WIN III	Work Incentive Program III -- designates revision in WIN program requiring AFDC applicants to register with WIN and accept jobs if offered before the AFDC application process can be considered complete.
WRE	Work Related Expenses -- those costs associated with employment, e.g., union dues, taxes, uniforms, transportation, and child care deducted in determining income and associated eligibility and size of benefit for AFDC, Food Stamps, and public housing programs.

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